

The Daily Dispatch

May 03, 2019

TODAY'S TOP NEWS

Oil price hikes not yet a threat to economy

The rise in oil prices is not yet considered a big threat to economic growth in the succeeding quarters as the increases remain gradual, the NEDA said. UK-based Oxford Economics earlier warned that growth in country's GDP may be shaved off by as much as 1.2% in 2020 if oil prices skyrocket to \$100 per barrel by the end of the year.

Prime Infra targets first Wawa water by 2021

Prime Infra, the infrastructure company led by ports and casino tycoon Enrique Razon, targets to secure the nod of the Metropolitan Waterworks and Sewerage System (MWSS) board next week for the Wawa project as it hopes to accelerate delivery of its first water.

DOT invites businesses to invest in tourism dev't

Tourism Sec. Puyat is urging on the private sector, including small local businesses, to invest in the development of tourism areas in line with the goal of making the sector inclusive and sustainable. "To truly create change in people's lives, we need to involve the community and that includes the private sector," Puyat said.

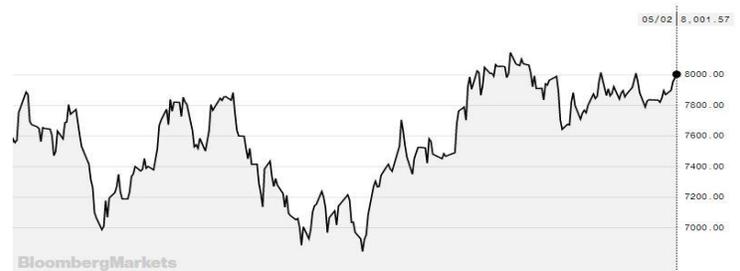
S&P upgrade lifts index past 8,000-mark

The stock market cheered the recent rating upgrade given by Standard & Poor's to the Philippines. The benchmark Philippine Stock Exchange index (PSEi) gained 48.85 points, or 0.61 percent, to breach the 8,000 mark. It ended at 8,001.57.

AEV profit falls 27% to P3.5 B

Aboitiz Equity Ventures Inc. (AEV), the listed investment holding firm of the Aboitiz family, said its first quarter net income dipped by over a quarter due to foreign exchange losses. In a disclosure to the Philippine Stock Exchange yesterday, AEV said consolidated net income fell 27 percent to P3.5 billion from January to March.

Philippine Stock Market Update



Previous Close:

8,001.57

1 Yr Return:

8.49%

Open:

8,004.27

YTD Return:

8.00%

52-Week Range:

6,790.58-8,213.71

Source:

Bloomberg

Foreign Exchange

As of May 4, 2019

US Dollar	Philippine Peso
1	51.83

BVAL

As of May 4, 2019

Tenor	Rate
1Y	6.0730
3Y	5.8640
5Y	5.7880
7Y	5.7700
10Y	5.8100
20Y	6.1660

Daily Quote

"There are no secrets to success. It is the result of preparation, hard work, and learning from failure."

-Colin Powell

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MORE LOCAL NEWS

Manufacturing growth slows to 9-month low

GROWTH in the country's manufacturing sector fell to a nine-month low in April as output slowed and new export orders dropped, a IHS Markit/Nikkei survey found. Results of the poll showed that the seasonally adjusted Philippines Manufacturing Purchasing Managers' Index (PMI) fell to 50.9 last month from 51.5 in March.

Peso back at P51:\$1 on ratings upgrade

THE peso returned to the P51:\$1 level on Thursday, hitting a two-week high, following the recently upgraded credit rating the Philippines received from S&P Global Ratings. The currency, which opened at P51.77 against the greenback, gained 23 centavos to close at P51.87, its highest since its P51.76:\$1 finish on April 17.

First Gen, Tokyo Gas to break ground for LNG plant

LOPEZ-LED First Gen Corp. and its Japanese partner Tokyo Gas Co. Ltd. are scheduled to break ground for its liquefied natural gas (LNG) facility in Batangas province by the last week of May. Energy Secretary Alfonso Cusi said he received an invitation from these firms for the groundbreaking ceremony set for May 29

Yuchengco Group & Ayala complete merger of schools

House of Investments Inc. the Yuchengco Group and conglomerate Ayala Corp. have completed the merger of their education units. HI and AC said in a joint statement the merger of HI's education holding firm iPeople and AC's wholly-owned education subsidiary AC Education Inc. obtained board, stockholder and regulatory approvals.

MPIC hospital unit drops IPO plan

Metro Pacific Hospital Holdings Inc is no longer inclined to do an IPO and will instead pursue a strategic investor to raise money. MPHHI president Augusto Palisoc said the company was keen doing a private transaction to implement the parent company's plan to sell a portion of its stake in the hospital business to finance other projects.

Aboitiz completes Ayala power deal

Aboitiz Power Corp. has completed the acquisition of a 49-percent voting stake and a 60-percent economic stake in AA Thermal Inc., a unit of AC Energy Inc., for \$572.9M. Aboitiz Power disclosed the completion followed the execution of a share purchase agreement last year and the compliance to all conditions of the transaction.

AirAsia plans over \$200m IPO for Ph unit this year

The Philippine unit of AirAsia Group Bhd hopes to push through with its initial public offering this year to raise more than \$200 million to expand capacity, the regional carrier's chief executive said on Thursday. "We're getting close. Hopefully we can do it this year," AirAsia Group CEO Tony Fernandes told reporters.

New PLDT chief revenue officer announced

STARTING July 1, Manila Electric Co. Senior Vice President Alfredo "Al" S. Panlilio will replace Ernesto "Eric" R. Alberto as PLDT Inc.'s chief revenue officer. Alberto was offered "opportunities" at First Pacific Ltd. Co., the Hong Kong-listed holding company, where PLDT Chairman Manuel V. Pangilinan sits as CEO.

PAL operating full regular schedule

FLAG carrier Philippine Airlines (PAL) said it is operating on full regular flight schedules for both domestic and international route networks despite the peak travel summer season. "Our flights and airport operations remain normal at our hubs in Manila, Cebu, Clark and Davao," PAL said in a statement.

TODAY'S TOP ASIAN NEWS

GIC buys stake in container terminal operator

GIC has acquired a 10 per cent interest in Geneva-based Terminal Investment Limited, the sixth-largest container terminal operator in the world, at an undisclosed price. The sovereign wealth fund said on Friday morning that it bought the stake from Global Infrastructure Partners and "other existing co-investors".

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MORE ASIAN NEWS

Chinese PE Yingke invests \$120m in EV battery maker

Chinese private equity firm Yingke Capital has invested \$120m in the pre-IPO round of Phylion Battery, a China-based manufacturer of lithium-ion batteries for electric vehicles. Yingke confirmed the investment, adding that the investment could be a “significant development” for Phylion while it is considering a public listing.

China’s So-Young raises \$179.4m in US IPO

So-Young International, a Chinese online marketplace for plastic surgery services, has raised \$179.4 million in its IPO in the US after selling 13 million American depositary shares (ADSs) at \$13.80 apiece, according to its SEC filing. The proceeds raised were at the high end of its original price range of \$11.80-13.80.

Xiaomi ups India play, injects \$507m

China’s Xiaomi, the top-selling smartphones brand in India, has infused Rs 3,500 crore (\$507 million) into its Indian entity, marking its largest investment into the country since it foray about four years ago.

ARA US Hospitality Trust prices SG IPO

ARA US Hospitality Trust (ARA H-Reit) is seeking to raise approximately \$498m after pricing its initial public offering in Singapore at \$0.88 per stapled security, according to its manager ARA Asset Management. ARA Asset Management said the offering comprises 379.8m stapled securities, subject to the over-allotment option.

Credit Suisse: Investors look to China & Asia

Institutional investors are increasingly looking for investment opportunities in the Asia-Pacific region, including China, as they seek to add more hedge fund investments to their portfolios, according to a new survey by Credit Suisse.

Chinese shipping giant forced to sell US port

A Hong Kong-based company has been forced to sell its American container port after the US government raised security concerns about its parent being a Chinese state-owned shipping giant.

Chinese firms to get boost from MSCI

Shares in Chinese health-care firms, beer and fiery liquor makers are likely to get a boost when the MSCI quadruples the weighting of the country’s stocks in its global benchmarks, according to fund managers at HSBC’s investment arm.

TODAY’S TOP GLOBAL NEWS

Tesla seeks up to US\$2.3b from share, debt issues

Tesla Inc launched issues of new shares and debt worth more than US\$2 billion on Thursday, with Chief Executive Officer Elon Musk pitching in US\$10 million as the electric carmaker gave in to Wall Street pressure to bolster its cash reserves.

Fed keeps key rate as is amid mixed signals

The US Federal Reserve decided to keep its benchmark interest rate unchanged amid mixed signals about the direction of the US economy. But Fed Chairman Jerome Powell seemed to tamp down growing expectations that officials might lean toward a rate cut, something that US President Donald Trump has demanded of the independent

BLOCKCHAIN CORNER

Microsoft chooses JPM’s Quorum for Azure Cloud

Microsoft will promote JPMorgan Chase’s Quorum blockchain to the global tech giant’s business customers. The Redmond, Washington-based software firm will support Quorum, JPM’s private enterprise version of ethereum, through Microsoft’s Azure cloud platform, the firms said.