

The Daily Dispatch

May 06, 2019
TODAY'S TOP NEWS

Yields on T-bills likely to decline

RATES OF Treasury bills (T-bill) on offer today are expected to decline across all tenors, as market participants price in the recent sovereign debt rating upgrade of the Philippines and gear up for the slew of domestic data to be released this week.

Economists see slower Q1 economic growth

The country's gross domestic product (GDP) growth likely slowed in the first quarter primarily due to the delayed passage of the 2019 national budget, according to economists. ING Bank Manila economist Nicholas Mapa said the country's economic expansion likely fell below six percent in the first quarter.

Diokno not worried about CA deficit

The Bangko Sentral ng Pilipinas is not worried about the widening current account (CA) shortfall as the country has enough buffers to finance increasing importation of raw materials and capital equipment. BSP Governor Benjamin Diokno said the Philippines has strong foreign exchange inflows to pay for imports.

Market may see upward momentum this week

Investors are looking forward to a more buoyant stock market this week as foreign funds continue to favor the Philippines after a recent upgrade and with first quarter corporate results pouring in. Inflation and first quarter economic growth data are also expected to be released this week.

Aboitiz to raise up to P5 B to fund investments

Aboitiz Equity Ventures, Inc. (AEV) is planning to issue bonds worth up to P5 billion as the first tranche of its proposed P30 billion, three-year shelf registration program. The firm had disclosed to the Philippine Stock Exchange that it plans to raise up to P30 billion from the issuance of bonds to fund future acquisitions and investments.

Philippine Stock Market Update



Previous Close:

7,967.98

Open:

7,972.86

52-Week Range:

6,790.58-8,213.71

1 Yr Return:

6.08%

YTD Return:

5.31%

Source:

Bloomberg

Foreign Exchange

As of May 4, 2019

US Dollar	Philippine Peso
1	52.06

BVAL Reference Rates

As of May 4, 2019

Tenor	Rate
1Y	6.064
3Y	5.849
5Y	5.789
7Y	5.779
10Y	5.805
20Y	5.981

Daily Quote

"You must do the things you think you cannot do."

--Eleanor Roosevelt

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MORE LOCAL NEWS

US FDA's decision won't bring IQOS to PH

Tobacco manufacturer PMFTC Inc. said it will not yet introduce its IQOS brand in the Philippines despite the major victory by its parent Philip Morris International (PMI) of securing US Food and Drug Administration's clearance to sell the heat-not-burn device.

BIR efficiency improved under Duterte — DOF

The collection performance of the Bureau of Internal Revenue (BIR), the government's main tax agency, improved under the Duterte administration compared with the previous leadership, the Department of Finance (DOF) said.

Investment pledges surge by 46% in Jan-April

INVESTMENT approvals increased by 46% in the first four months of 2019, with power projects accounting for most of them, according to the Department of Trade and Industry. The department's Board of Investments said it had approved P286.7-billion worth of investments as of end-April, higher than P195.7 billion last year.

Zamora, China firm set to roll out Wi-Fi in PH

The Trenzen Group Inc., led by businessman Salvador Zamora II, teamed up with China-based Citic Networks Co. Ltd. to roll out Wi-Fi internet access, digital television and satellite network services across the country. Zamora, chairman of TGI and Philippine Telegraph & Telephone Corp., signed a MoU with Citic chairman Luo Ning

CDC remitting P816 million to National Treasury

Clark Development Corp. has declared as much as P2 billion in remittances in the last three years, or about half of the total it paid to the National Treasury in 25 years. The company remitted P500 million in 2016 and P700 million in 2017. It is set to remit P816 million from its 2018 income to the National Treasury on May 14, 2019

Rizal wind project, DMCI's hydro get priority

The Energy Investment Coordinating Council declared four energy projects of national significance in April. The EICC, led by the Department of Energy, issued the latest certificate of energy project of national significance to DMCI Power Corp.'s 15 megawatt, coal-fired power plant in Palawan.

PAL Holdings eyes P16.25b through rights offering

PAL Holdings Inc., the parent company of the country's flag carrier Philippine Airlines Inc., may raise as much as P16.25b from a planned stock rights offering scheduled within the year. PAL Holdings said in a regulatory filing it would seek the approval of shareholders to increase its capital base to P20b from the current P13.5b.

ERC's competitive selection rules out in 30 days

THE Energy Regulatory Commission (ERC) expects to issue within 30 days its final rules on competitive selection process (CSP), a scheme that chooses the lowest-cost power for consumers, including a provision on replacement power that will require the generation companies to shoulder the cost of unscheduled plant outages.

BoI-approved investment projects rise 46.5%

INVESTMENT projects registered with the Board of Investments (BoI) in the four months to April rose 46.5% year on year to P286.7 billion, led by the power industry. Investment by domestic entities rose 14% to P219.7 billion, the BoI said in a statement Friday.

Economists see April inflation at 2.8 to 3.2%

Inflation likely further eased in April, with a possibility of falling below the 3-percent level for the first time since December 2017. Of the nine economists polled by the Inquirer, Rizal Commercial Banking Corp.'s Michael Ricafort had the lowest forecast of 2.8 percent year-on-year

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TODAY'S TOP ASIAN NEWS

SG may allow virtual banks after HK move - DBS

Singapore could follow Hong Kong in handing out virtual banking licenses, according to the head of the largest local lender, in a move that would create another source of competition for the city state's established banks. "I see no reason why it would not," DBS Group Holdings chief executive officer Piyush Gupta said in an interview.

Omega defies e-commerce boom

At a time most retailers are turning to digital channels to stay competitive, one Swiss luxury watchmaker is doing things differently.

Omega is sticking with good old-fashioned physical shops to underpin its expansion in China even as e-commerce takes the industry by storm.

KKR, GIC acquire control in IndiGrid for \$363m

Global private equity major KKR and Singapore's sovereign wealth fund GIC have together invested \$363m to acquire a controlling stake in India Grid Trust (IndiGrid), the latter announced on Saturday. As part of the transaction, KKR and GIC have invested \$157m and \$142m, respectively, to collectively own 42 per cent of IndiGrid's outstanding units.

SoftBank mulling IPO of \$100b Vision Fund

Japan's SoftBank Group Corp is considering an initial public offering of its \$100 billion Vision Fund, the Wall Street Journal reported on Friday, citing people familiar with the matter. The fund was set up in 2017 and has become one of the primary funding vehicles for technology companies around the world.

Start-up to launch immunity-boosting gut bacteria

A Californian probiotics developer backed by tycoons Li Ka-shing and Bill Gates will launch a dietary product it claims can strengthen infants' immune system in Hong Kong and Singapore on Tuesday.

TODAY'S TOP GLOBAL NEWS

Embattled Hyflux in talks to raise \$294m

Singapore's Hyflux Ltd., the water and power company battling for survival, said it is in talks with Middle Eastern utility Utico FZC about securing S\$400 million (\$294 million) of funds, disclosing the identity of the potential investor after receiving a non-binding letter of intent.

KKR eyes privatisation of 800 Super Holdings

Global buyout major KKR & Co has announced plans to privatise 800 Super Holdings, a Singapore-listed environmental services provider, through a voluntary conditional cash offer. The deal is being routed through 800 Super owner 8S Capital Holdings, which is wholly-owned by KKR-affiliated special purpose vehicles.

US stock futures tumble after Trump threatens CH

Wall Street stock index futures fell sharply on Sunday after US President Donald Trump said he would hike US tariffs on US\$200 billion worth of Chinese goods this week and soon target hundreds of billions more. Trump's announcement came ahead of another round of talks between US and Chinese officials scheduled for this week.

Mitsubishi plans \$1.4 bn rescue for Chiyoda

Japanese trading house Mitsubishi Corp and MUFG Bank plan to rescue plant engineering company Chiyoda Corp with a \$1.4 billion lifeline, betting on a turnaround fueled by greater LNG demand, the Nikkei newspaper reported on Monday.

IKEA to invest 400 mn euros in French stores

IKEA plans to invest 400 million euros (\$448 million) in France over the next three years as it builds up its new city center stores in the country, IKEA France's chief executive Walter Kadnar said on Monday.