

# The Daily Dispatch

July 15, 2019  
TODAY'S TOP NEWS

## Meralco starts competitive selection for supply

THE Manila Electric Co. (Meralco) has started conducting a competitive selection process of its power requirements following a Supreme Court decision that required all power-supply agreements (PSAs) forged after June 30, 2015, to undergo a CSP.

## Ortigas to spend up to P15B annually

ORTIGAS AND CO., a property development firm backed by the Ayala and Sy families, will spend some P12 billion to P15 billion every year over the next five years, but is shunning the idea of becoming a listed company, at least for now.

## ABS-CBN leads digital TV race

“ABS-CBN TVplus’ accelerated sales is indicative of how far the country has moved on from analog television and how closer we are to fully transitioning into digital broadcast ahead of the government-mandated deadline of 2023,” Charles Lim, who heads ABS-CBN Access, said.

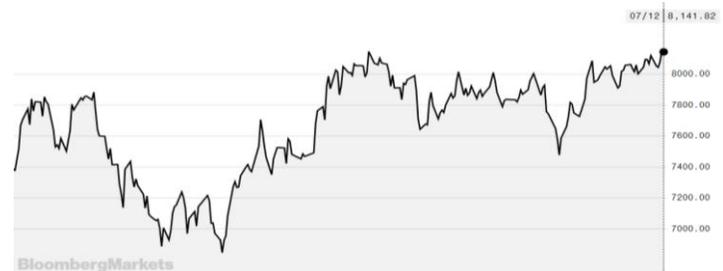
## WTO upholds PH anew in cigar dispute vs Thailand

Thailand has lost all three panel and appellate rulings before the World Trade Organization (WTO) on the cigarette tax dispute against the Philippines prompting Trade and Industry Secretary Ramon M. Lopez to challenge a fellow ASEAN country to accept the decision and implement the tax valuation reforms that are inimical to Filipino tobacco

## More room to cut rates in Q3 — Benjamin Diokno

The BSP said monetary authorities have more leeway to ease this quarter amid the country’s easing inflation and the dovish Fed. BSP Governor Benjamin Diokno said further improvement in the domestic inflation outlook and the anticipated move of the US Fed to cut its own key rate have given the BSP additional room for monetary easing.

## Philippine Stock Market Update



### Previous Close:

8,141.82

### Open:

8,153.88

### 52-Week Range:

6,790.58 - 8,365.29

### 1 Yr Return:

15.04%

### YTD Return:

12.04%

### Source:

Bloomberg

## Foreign Exchange

As of July 12, 2019

US Dollar	Philippine Peso
1	51.155

## PDST-R2 Rates

As of July 12, 2019

Tenor	Rate
1Y	4.8150
3Y	4.8760
5Y	4.9530
7Y	5.0030
10Y	5.0190
20Y	5.0900

## Daily Quote

“A leader is one who knows the way, goes the way, and shows the way.”

--John C. Maxwell

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## MORE LOCAL NEWS

### PH wheat imports higher at 7.2 million MT

The Philippines is expected to post a record-high wheat importation this year at 7.2 million metric tons amid continuous increasing consumption following smaller corn output. The USDA hiked this year's projection from the seven million MT forecasted in April.

### Market may test 8,100 level this week

The Philippine stock exchange index may attempt another ascent above the 8,100 mark this week. Traders said market investors would be looking at second quarter and second half corporate earnings results which are expected to trickle in starting this week.

### DOE finalizing smart grid policy

The DOE has issued the draft department circular titled "Providing a National Smart Grid Policy Framework for the Philippine Electric Power Industry and Roadmap for Distribution Utilities" as it seeks industry input for the new policy. The agency is looking to transition the Philippine power system into a smart grid by 2040.

### POGO operators plan to hire more Filipinos

Philippine offshore gaming operators plan to form an organization to teach Filipinos how to speak Chinese Mandarin so they can be employed in the online gaming industry, a Chinese executive said over the weekend. Kevin Wong, general manager of Oriental Group, said that there was a plan to form an association.

### Peza wants 8 MM cities excluded from ecozone ban

The Philippine Economic Zone Authority asked the Office of the President to exempt eight cities in Metro Manila from the moratorium on economic zone proclamation. Peza director-general Charito Plaza, in a letter submitted to Malacañang on July 1, spoke of the agency's growing agitation over investors' worries

### MPTC to start construction of NLEx-SLEx link in Q

Metro Pacific Tollways Corp. said it expects to start by the third quarter the construction of an expressway that will link North Luzon Expressway and South Luzon Expressway. "We are hoping by third quarter we will start construction," MPTC president and chief executive Rodrigo Franco said.

### Heed WTO ruling, PH urges Thailand

The Department of Trade and Industry (DTI) recently urged Thailand to follow the recent rulings of the World Trade Organization (WTO) on customs valuation reforms. According to DTI, the WTO has ruled in favor of the Philippines' claim that Thailand violated the policies on valuation for cigarette shipments.

### Overtaxation seen driving POGOs away

THE government runs the risk of losing investment from the online gaming industry if it stiffens regulation and raises tax rates, industry analyst Asia Gaming Brief said.

### Condos in Davao seen to increase by 45%

The number of condominium units in the city, roughly at around 7,000 as of 2018, is seen to increase by 45% at the end of this year, according to consultancy firm Prime Philippines' Research and Advisory 2019.

### Travel industry sees job growth outperformance

THE TOURISM and hospitality sector expects to outperform in terms of job growth in the next few years, outstripping the global average, industry officials said.

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## TODAY'S TOP ASIAN NEWS

### Pinterest opens office in Southeast Asia

Pinterest recently announced the official opening of its Singapore office. This is the second office for Pinterest in the region and it would be servicing South East Asia and India as part of the company's expanding work in APAC. Pinterest also has a team in Japan based in its Tokyo office, which opened in 2013.

### Actis likely to close debut \$1.5b infra fund

Emerging markets specialist Actis expects to hold the final close of its debut infrastructure vehicle at over \$1.5 billion, including co-investments from its limited partners (LP), an industry executive aware of the development told DealStreetAsia.

### Malaysia seized \$240m from Ch state firm's account

Malaysia has seized more than 1 billion ringgit (\$243.25 million) from a bank account of state-owned MALAS Ltd (CPP), the Straits Times newspaper said on Saturday. The seizure comes nearly a year after Malaysia suspended two pipeline projects, valued at \$2.3 billion, on which CPP was the lead contractor.

### Tokopedia said to close investment in Sayurbox

Indonesia's e-commerce unicorn Tokopedia is learnt to have closed an investment in local agritech startup Sayurbox, according to multiple sources familiar with the development.

### ByteDance leads \$57m Series C in US edtech firm

ByteDance, the Chinese technology giant best known for its video-sharing app TikTok, has led a \$57-million Series C funding round in San Francisco-based education technology (edtech) firm Minerva Project. The funding round was also participated by existing investors TAL Education Group and Yongjing Group.

## TODAY'S TOP GLOBAL NEWS

### US firms may get nod to restart Huawei

The U.S. may approve licenses for companies to re-start new sales to Huawei in as little as two weeks, according to a senior U.S. official, in a sign President Donald Trump's recent effort to ease restrictions on the Chinese company could move forward quickly.

### Huawei planning major job cuts in US: WSJ

Chinese telecoms giant Huawei, which is subject to US sanctions over concerns about its ties to the government in Beijing, is planning to make major job cuts at its US operations, The Wall Street Journal reported on Sunday. The layoffs are expected at Huawei's US-based research and development arm, Futurewei Technologies.

### Blackstone fails to find buyer for Burger King NZ

New York-based private equity firm Blackstone Group LP has called off the sale of fast food chain Burger King in New Zealand after failing to find a buyer. The sale, which was launched four months ago, drew interest from potential buyers who ultimately balked at the franchise's NZ\$120-million (\$80.26 million) price tag.

### Xiaomi continues chip strategy revamp

China's Xiaomi Corp (1810.HK) has taken a stake of roughly 6% in compatriot chip designer VeriSilicon Holdings Co Ltd, as the smartphone maker revamps its years-long pursuit of success in semiconductors which it sees as central to driving innovation.

### Budweiser APAC IPO fail shows pushback

Reluctance to accept AB InBev's high valuations doomed Budweiser APAC's IPO of up to \$9.8 billion - poised to be the world's biggest this year - investors and bankers said, putting would-be floats on notice that careful pricing remains key to deal success.