

The Daily Dispatch

September 06, 2019

TODAY'S TOP NEWS

PSBank to hike authorized capital stock to P6 b

PHILIPPINE Savings Bank (PSBank) is looking to raise its authorized capital stock to P6 billion in a bid to strengthen its capital structure and provide the lender flexibility. The BSP has okayed the amendment of its Articles of Incorporation (AoI) last Aug. 8 to increase its capital stock to P6 billion from the previous P4.25 billion.

FDI pledges double in first half

COMMITTED foreign direct investments (FDI) grew by more than half annually in the three months to June, helping foreign pledges double last semester. Preliminary data from the PSA showed approved foreign commitments registered with the country's seven main investment promotion agencies (IPAs) grew 60.2% year on year to P49.58 billion

Overall price increase in Aug. lowest in 3 years

INFLATION clocked in at its slowest pace in three years in August amid a softer increase in food prices, particularly rice, the PSA reported on Thursday. The headline inflation rate — the general increase in prices of widely used goods and services — logged 1.7% in August, slower than 2.4% in July and 6.4% in August 2018.

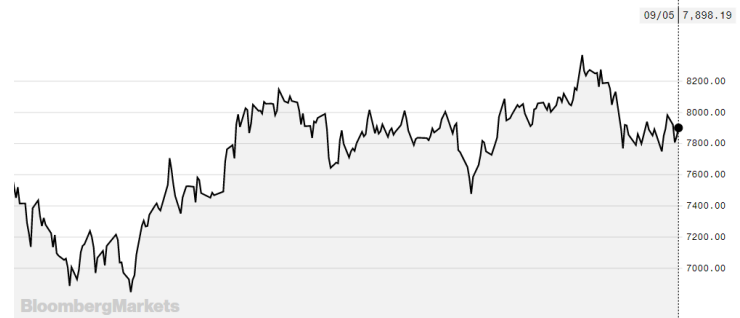
Cheaper food to pull down inflation-PSA

INFLATION could decelerate further in the coming months due largely to the expected drop in rice prices and base effects, the government and local economists said on Thursday. On Thursday, PSA data showed that inflation slowed to a 35-month low of 1.7 percent in August. It is the slowest since September 2016, when inflation was at the

Megaworld maintains high ratings on P12-bn bonds

The developer of several townships in the country said its PRS Aaa rating and a stable outlook with Philippine Rating Services Corp. was maintained on the back of its liquidity, sound capitalization and strong management, as well as favorable industry outlook.

Philippine Stock Market Update



Previous Close:

7,898.19

1 Yr Return:

5.85%

Open:

7,915.62

YTD Return:

6.47%

52-Week Range:

6,790.58-8,419.59

Source:

Bloomberg

Foreign Exchange

As of Sept. 5, 2019

US Dollar	Philippine Peso
1	51.94

BVAL

As of Sept. 5, 2019

Tenor	Rate
1Y	3.6820
3Y	4.0160
5Y	4.2280
7Y	4.3920
10Y	4.5260
20Y	4.8730

Daily Quote

“From each according to his abilities,
to each according to his needs..”

— Karl Marx

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MORE LOCAL NEWS

More McDonald's added to 'NxtGen' category

FILIPINO quick-service restaurant customers can expect more McDonald's concept stores featuring self-ordering kiosks and cashless transactions by the end of 2019, the American fast-food chain giant's master franchise holder in the Philippines has said.

Cement imports to continue – traders

Napoleon Co, chairman of the Philippine Cement Importers Association (PCIA), said this following the issuance of final definitive safeguard duty of P10 per bag on the first year of implementation, P9 on the second, and P8 on the third or the last year of the order.

PCC to extend review of San Miguel-Holcim deal

The Philippine Competition Commission (PCC) will likely look deeper into San Miguel Corp.'s (SMC) takeover deal of Holcim Philippines Inc. (HPI). After initially looking into the \$2.15b deal, PCC has requested for more information, extending the review process of what could be the largest merger and acquisition deal in the local cement industry.

More PH banks seeking fresh funds

More Philippine banks are raising fresh capital to boost their capability to oil the wheels of the growing domestic economy. Sy family-led China Bank has obtained board approval to raise as much as P15 billion from the sale of peso-denominated debt notes qualifying as tier 2 or supplementary capital.

\$100-M loan offered for farm sector modernization

An Israeli private firm is offering a \$100-million loan to the Department of Agriculture (DA) and local governments units to modernize the country's agriculture sector. The offer came just when the industry is grappling with low palay prices, the spread of fall army worm in crops, and the impending threat of African swine fever in hogs.

Dominguez wants biennial audit of tax perks

Tax incentives given to companies must be reviewed every two years as the Philippines has been too generous in giving away tax incentives to a select group of companies, according to the head of the Duterte administration's economic team.

Employment rate up 5.7% in July

An increase in hiring of workers in the services and agriculture sectors resulted in better employment levels for the Philippines in July 2019 as well as lower underemployment, the National Economic and Development Authority (Neda) said on Tuesday.

Shell building hydrogen plant

Pilipinas Shell Petroleum Corp. said it teamed up with Air Liquide Philippines Inc. to build an integrated hydrogen manufacturing facility at the 110,000-barrel-per-day Shell refinery in Batangas City. Pilipinas Shell and Air Liquide held the groundbreaking on August 29 for the first-of-its-kind facility

RLC launches first township project

Robinsons Land Corporation (RLC), the property development arm of the Gokongwei group, has formally launched its expanded luxury residential project Bridgetowne township which will be highlighted by a new bridge connecting Pasig and Quezon cities.

Sugar production seen flat this year

The Philippines has allocated bulk of its target production for the new crop year for the domestic market amid an expected relatively flat output, the SRA said. Based on SRA's latest sugar policy, 95 percent of the country's sugar production will go to the domestic market, while the remaining five percent will be for the US market.

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MORE LOCAL NEWS

Stocks gain as inflation eases to 3-year low

Stock market investors cheered the latest inflation data, sending the benchmark Philippine Stock Exchange index up by 57.33 points, or 0.73 percent to close at 7,898.19. "The market is cheering the latest inflation figure," said Christina Ulang, vice president at First Metro Investment Corp.

Phoenix notes expansion of LPG in Vietnam

Phoenix Petroleum said it has noted an expanding business trend in its liquefied petroleum gas in Vietnam since early this year, noting that this followed its getting majority control of an established LPG company in the country.

TODAY'S TOP ASIAN NEWS

KKR acquires majority stake in EuroKids

Global alternative investment firm KKR & Co. has acquired a majority stake in Indian pre-schools chain, EuroKids International Pvt. Ltd., from a consortium of existing investors led by private equity firm Gaja Capital. EuroKids will continue to be managed by its team of experienced educators, administrators and management team

Sg healthtech startup CXA Group seeks \$50m

CXA Group, a Singapore-based health service backed by Facebook co-founder Eduardo Saverin, is again hitting up investors. Founder Rosaline Chow Koo said her startup intends to start a new round of funding to try and raise at least \$50 million at a \$250 million valuation.

Asia's beaches go quiet as CH tourists stay home

From quiet beaches in Bali to empty rooms in Hanoi's hotels, pangs from China's economic malaise and weakening yuan are being felt across South-east Asia's vacation belt. A boom in Chinese outbound travel in recent years that stoked tourism across South-east Asia is now in reverse gear.

Gojek says on track to raise \$2b before 2019's end

Gojek is on track to raise US\$2 billion in its ongoing funding round before the end of the year, accelerating capital-raising to drive an expansion into mobile payments and food delivery. The ride-hailing giant has now handled about US\$1.5 billion of transactions outside of Indonesia, thanks to a budding expansion.

Chinese firms stung by trade war build up

For over a decade, manufacturer Matsutek plied away at building its business with big Western brands, supplying firms such as Philips and Honeywell with products made in its Chinese factories for the U.S. and other overseas markets.

TODAY'S TOP GLOBAL NEWS

Exxon agrees \$4 b sale of Norway oil and gas assets

Exxon Mobil (XOM.N) has agreed to sell its Norwegian oil and gas assets for up to \$4 billion, ending its production in a country where it started operations more than a century ago, three sources familiar with the matter told Reuters on Thursday.

Chinese insurance platform Huize files for US IPO

Huize Holding, the operator of an online insurance intermediation platform in China, has filed to raise about \$150 million in an IPO in the US, according to its preliminary prospectus. The filing is heavily redacted, and Huize, founded by Ma Cunjun in 2014, has not specified the number of and price of American depositary shares

WeWork dents the case for private markets

Private beats public, according to many entrepreneurs. Abundant money from sovereign wealth funds, venture capitalists, and PE firms has allowed startups to grow rapidly without the strings that come with stock-market listings. It has also enabled poor governance and unrealistic valuations. WeWork shows the gap is wide.