

# The Daily Dispatch

October 23, 2019  
TODAY'S TOP NEWS

## State spending short despite Sept. boost

STATE SPENDING rose by its fastest pace in almost a year and a half in September as the government rushed to make up for muted expenditures last semester, but even this boost was not able to ensure that the nine-month program was met, according to data the Bureau of the Treasury (BTr) released on Tuesday.

## DA keeps agri growth target at 2%

The Department of Agriculture has maintained its optimism, sticking with its two percent growth target for the year even with the delayed implementation of the supposed benefits of the tariffication law and entry of the African swine fever. Agriculture Secretary William Dar is keeping his target of two percent for the whole of 2019.

## Kaliwa Dam construction nears as project gets ECC

The controversial P18.7-billion Kaliwa Dam is targeted to begin construction by February next year after the Metropolitan Waterworks and Sewerage System (MWSS) secured one of the most pertinent documents needed to jumpstart the project. MWSS chairman Reynaldo Velasco has confirmed that the agency last week received the ECC.

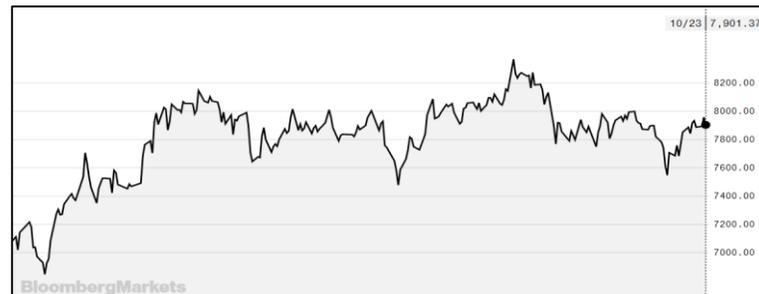
## Ayala taps banks for planned dollar perpetual notes

Ayala Corp., the country's oldest conglomerate, plans to issue dollar-denominated senior perpetual notes. The company, through its subsidiary AYC Finance Ltd., has mandated a group of local and foreign banks to handle the transaction.

## NGCP launches Green Spark program in Rizal

National Grid Corp. of the Philippines teamed up with the University of the Philippines to empower communities and promote livelihood skills, thereby helping uplift the lives of Filipinos. NGCP, in partnership with the UP Los Baños Foundation Inc., launched a program to empower communities through renewable energy technology.

## Philippine Stock Market Update



**Previous Close:**

7,955.24

**1 Yr Return:**

11.68%

**Open:**

7,929.09

**YTD Return:**

5.81%

**52-Week Range:**

6,820.22-8,419.59

**Source:**

Bloomberg

## Foreign Exchange

As of Oct. 22, 2019

US Dollar	Philippine Peso
1	51.23

## BVAL Reference Rates

As of Oct. 22, 2019

Tenor	Rate
1Y	3.633
3Y	4.056
5Y	4.327
7Y	4.544
10Y	4.803
20Y	5.061

## Daily Quote

"We live in the kind of society where, in almost all cases, hard work is rewarded."

-- Neil deGrasse Tyson

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## MORE LOCAL NEWS

### Filinvest launches subdivision project in Cavite

“New Leaf is envisioned to be the ideal home for families looking for a fresh start. It offers a safe neighborhood, gated community, quality residential units, recreational amenities, and facilities to help families live in comfort every day,” said Tristan Las Marias, FLI senior vice president and southwest Central Luzon cluster head.

### Bacolod is GrabFood’s 35th city

GRABFOOD, the online delivery arm of super app Grab, has expanded its operations to Bacolod, bringing its number of territories in the Philippines to 35 cities, a feat that cements it as the largest food delivery platform in the country.

### Cirtek cuts bond shelf listing to P2 billion

THE board of Laguna-based Cirtek Holdings Philippines Corp. has trimmed down the amount of its shelf registration of fixed-rate commercial papers with the Securities and Exchange Commission.

### Hyundai PH commercial vehicle sales up, cars down

Hyundai Asia Resources, Inc. (HARI) reported that sales of its commercial vehicles grew by 12 percent but its passenger car segment remained in the negative category posting 15 percent decline in the first nine months of the year.

### PSEi back to 7,900, buoyed by optimism over trade deal

The local stock barometer conquered the 7,900 mark on Tuesday, riding on the strength of US and regional markets. The main-share Philippine Stock Exchange index (PSEi) added 64.11 points or 0.81 percent to close at 7,955.24, led by selected large-cap stocks.

### DPWH, MPIC to open portion of CALaex on Oct. 30

Infrastructure giant Metro Pacific Investments Corp. and the Department of Public Works and Highways expect to open a section of the 45-kilometer Cavite Laguna Expressway (Calaex) south of Metro Manila on Oct. 30 this year.

### Meralco-led group loses distribution deal in Ghana

The Ghanaian government has terminated power distribution concession of a Meralco-led consortium due to alleged “making false declaration and misrepresentation of facts” related to demand guarantees on assets relevant to the contract. Manila Electric Co holds a 30% interest—a minority but the biggest stake—in Power Distribution

### Shuttered Pogo service provider reopens

After it was temporarily shut down last week, Philippine offshore gaming operator (Pogo) service provider Altech Innovations Business Outsourcing is back in business after paying an initial P8.2 million in back taxes to the Bureau of Internal Revenue.

### Neda, BSP exec: No to added tax on rice imports

Ahead of economic managers’ meeting on relief for farmers hurt by the lifting of volume limits on rice importation, the country’s chief economist and a Monetary Board official on Tuesday, Oct. 22, expressed opposition to adding taxes on foreign rice to protect the local industry from a surge in imports.

### Accor eyes 22 hotels in PH

Accor, the largest hotel group in Asia Pacific, said it will expand its footprint in the Philippines to 22 hotels over the next 5 years after signing contracts to manage nine hotels in the country this year. A leading hotel management corp, Accor will manage the hotels as the brand expands to more than 5,500 rooms within the next 5 years

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## TODAY'S TOP ASIAN NEWS

### China drawing up plan to replace Carrie Lam: FT

The Chinese government is drafting a plan to replace Hong Kong's Carrie Lam with an "interim" chief executive, the Financial Times reported, citing unidentified people. Ms Lam's successor would be installed by March, covering the remainder of her term should Chinese President Xi Jinping decide to carry out the plan.

### KKR-backed PropertyGuru cancels Australian IPO

Southeast Asian property platform PropertyGuru, whose backers include PE giants TPG Capital and KKR, has called off its planned IPO on the Australian Securities Exchange (ASX). In an announcement on Wednesday, PropertyGuru said its board has decided to withdraw the listing "due to uncertainty in the current IPO market."

### SG-based VC platform Hatcher+ closes \$5.5m seed

Singapore-based venture investment platform Hatcher+ on Tuesday that it has secured \$5.5 million in its seed funding round and completed the 100th investment from its H2 Fund. The fresh funding will be used by Hatcher+ to develop its predictive analytics engine and business process automation capabilities, according to its statement.

### Investors eye startups targeting new internet users

Social e-commerce startups, which allow users to leverage their social network to buy and sell products, are catching investors' fancy, with a growing number of new internet users in India starting to transact online. These startups have raised \$157 million from venture investors this year, nearly double the amount raised in 2018

### Pension fund QSuper betting big on US real estate

Australia's second-largest pension fund is betting on U.S. real estate while avoiding overpriced infrastructure assets as it chases returns in the face of a fragile global economy. QSuper wants to buy more office buildings and apartment developments in the U.S. after purchasing Chase Tower in Texas in August, CIO Charles Woodhouse said

## TODAY'S TOP GLOBAL NEWS

### SoftBank clinches deal to take over WeWork:

SoftBank Group Corp (9984.T) has agreed to spend more than \$10 billion to take over WeWork, doubling down on an ill-fated investment and paying off its co-founder Adam Neumann to relinquish control, people familiar with the matter said on Tuesday.

### Pound, stocks slip as Brexit timetable rejected

The pound weakened and stocks on world markets declined on Tuesday after British lawmakers rejected the government's proposed timetable for passing legislation to ratify its deal to exit the European Union. U.S. Treasury yields dropped in line with sterling's movements as investors bought safe-haven debt after the defeat in parliament.

### Half the world's banks too weak for a downturn

MORE THAN HALF of the world's banks are too weak to survive a downturn, according to a survey from consultancy McKinsey & Co. A majority of banks globally may not be economically viable because their returns on equity aren't keeping pace with costs.

### South Africa signs deal with Tencent for tourism

South Africa has signed a two-year agreement with Chinese Internet firm Tencent (0700.HK), which will use its popular WeChat platform to market tourism to millions in China, the South African tourism minister said on Tuesday. South Africa is targeting key untapped tourist markets to help kick-start its struggling economy

### Oil prices rise as Opec mulls deeper output cuts

Oil prices rose on Tuesday after China signaled progress in trade talks with the United States and Opec and its allies mulled deeper production cuts, but gains were capped by forecasts of a buildup in US crude stockpiles. Brent crude oil settled up 74 cents, or 1.3 per cent at US\$59.70 a barrel.