

The Daily Dispatch

January 30, 2018
TODAY'S TOP NEWS

Ayala Land ups stake in Prime Orion

Philippine real estate giant Ayala Land Inc has paid about \$9.7 million to acquire additional shares in Prime Orion Philippines Inc. ALI has increased its holding in diversified conglomerate Prime Orion Philippines Inc (POPI) by purchasing an additional 4.14 percent stake from Genez Investments Corporation.

Duterte shifts numerous gov't workers to new city

Thousands of government workers will be moved from Manila to a new city that's being built in a former U.S. military base, as President Rodrigo Duterte's administration seeks to ease a traffic gridlock in the capital. The government and private companies are investing more than 50 billion pesos in New Clark City.

Megaworld to develop smart townships

Andrew Tan-led property developer Megaworld Corporation announced plans to future-proof its mixed-use townships by turning them into smart cities. Dubbed iTownships, the plan revolves around incorporating digital technology, design innovations, and connectivity into Megaworld developments.

TV5 expects to cut losses by half amid ESPN deal

Broadcast firm TV5 Network Incorporated expects to cut losses by 50% in 2018, mainly on the back of its continuous restructuring program and a new partnership with global sports broadcaster ESPN. This, in turn, is seen to help TV5 finally break even in 2019.

Metro Pacific to borrow P36B for 2 new toll roads

Metro Pacific Tollways Corporation, the tollways unit of Metro Pacific Investments Corporation (MPIC), plans to borrow P36 billion to partly finance the construction of two new toll roads in the Philippines: the Cavite-Laguna Expressway (CALAX) and the C5 South Link Expressway.

Philippine Stock Market Update



Previous Close:

8,915.92

1 Yr Return:

25.97%

Open:

8,893.14

YTD Return:

4.75%

52-Week Range:

7,146.27 - 8,975.12

Source:

Bloomberg

Foreign Exchange

As of Jan. 30, 2018

US Dollar	Philippine Peso
1	51.064

PDST-R2 Rates

As of Jan. 30, 2018

Tenor	Rate
1Y	3.1515
3Y	4.2320
5Y	4.7129
7Y	5.3179
10Y	5.7950
20Y	5.7752

Daily Quote

“Every man dies. Not every man really lives.”

-William Wallace

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MORE LOCAL NEWS

Solar Philippines challenges bid for Meralco supply

Solar Philippines is challenging the bid of First NatGas Power Corporation for the 24/7 power supply of the Meralco, coming from the 414-megawatt (MW) San Gabriel gas power plant. The solar producer said in a statement over the weekend that it submitted an offer for Meralco's 24/7 power supply at P2.99 per kilowatt hour.

SEC readies regulations on initial coin offerings

The Securities and Exchange Commission said Monday it will not ban the so-called initial coin offerings in the country but will limit the sale of the digital tokens to accredited investors. An ICO is a fund-raising activity usually by a start-up company that issues cryptocurrency or virtual coins to investors.

Kepco eyeing 1,000-MW Pangasinan plant

Kepco Philippines plans to put up a 1,000-megawatt coal-fired power plant in Pangasinan province, Energy Department documents show. The department allowed Kepco Philippines to conduct a grid study for the power plant in Sual, Pangasinan to determine the project's impact on the Luzon grid.

Subic-Clark railway project approved

The P57.6-billion Subic-Clark Railway Project has moved closer to being rolled out after gaining approval from economic managers, a Cabinet official said. Finance Secretary Carlos Dominguez 3rd told reporters that the project had been greenlit by the National Economic and Development Authority's ICC that he chairs.

Reduced perks to offset corporate tax cut impact

Lower corporate income taxes should come with a reduction in business incentives to limit the impact on government revenues, the Finance department said. Finance Undersecretary Karl Kendrick Chua said that least P26 billion had to be raised for every percentage point cut to the corporate income tax rate.

PetroEnergy raises P758M from stock rights offer

LISTED PetroEnergy Resources Corp. (PERC) said it raised about P758.3 million following the completion of its stock rights offering this month, the proceeds of which were earmarked to finance renewable energy (RE) projects in the pipeline.

PSE in a race to thwart Landbank's PDS bid

Facing a rival pitch from the Land Bank of the Philippines to take over Philippine Dealing Systems Holdings Corp. (PDS Group), the Philippine Stock Exchange (PSE) vowed to comply with the legal requirement to put a 20-percent cap on stock brokers' ownership.

SECB, MUFG ink deal with BOI

Banking partners Security Bank Corp. and The Bank of Tokyo-Mitsubishi UFJ Ltd. (MUFG) have entered into a pact with the Philippine Board of Investments (BOI) to implement initiatives to promote investments, such as through business matching activities for Philippine and Japanese investors.

RP debt in 2017 hits record-high of P6.652 tn

The national government's outstanding debt hit a record-high P6.652 trillion in 2017 due to a weaker peso as well as an increase in domestic borrowings last year. In a statement Monday, the Bureau of the Treasury said outstanding obligations rose 9.2 percent from P6.09 trillion at end-2016.

LandBank starts DD to acquire maj. stake in PDS

State-run LandBank of the Philippines on Tuesday said it has started conducting its "due diligence" in its plan to acquire a majority stake of the Philippine Dealing System Holdings Corp., operator of the country's bond and currency markets.

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MORE LOCAL NEWS

LGUs urged to develop own ecozones

The Philippine Economic Zone Authority (PEZA) is urging local government units (LGUs) to develop their own economic zones to make them strong enough to weather changes in a possible shift to a federal form of government.

TODAY'S TOP ASIAN NEWS

GIC buys stake in China Lianhe Credit Rating

Singapore's GIC has made a strategic investment in China Lianhe Credit Rating Co., Ltd (Lianhe Ratings) in a deal that saw credit rating agency Fitch Ratings offload its 49 per cent stake in the latter in favour of the city-state's sovereign wealth fund, according to a media release.

Blackstone buyout of AMA Group business unit

Private equity firm Blackstone Group has submitted an A\$530 million (\$428.9 million) bid on a cash-free, debt-free basis to acquire the vehicle panels business of ASX-listed AMA Group, according to a stock exchange filing. AMA Group Limited operates in the wholesale vehicle aftercare and accessories market in Australia.

Sterlite Power buys 28.4% stake from SCPE for \$158m

“With this acquisition, Sterlite Power holds 100% stake in the business. Sterlite Power had attracted an investment of Rs500 crore in 2014 from SCPE, which was the first private foreign investment in the Indian transmission sector,” Sterlite Power said in a statement.

Japan's Renesas in talks to buy US chipmaker Maxim

Japanese automotive chip maker Renesas Electronics Corp is in talks to acquire U.S. chipmaker Maxim Integrated Products Inc in a deal that could be valued up to \$20 billion, CNBC reported. A deal is not imminent and one may not happen, CNBC said.

TODAY'S TOP GLOBAL NEWS

Coffee meets 7UP in Keurig, Dr Pepper Snapple deal

Keurig Green Mountain has struck a deal worth more than \$21 billion to combine with soda maker Dr Pepper Snapple Group Inc to form a North American drinks company with brands like Green Mountain Coffee, 7UP, Snapple and Sunkist.

Blackstone in talks to buy stake in Reuters unit

U.S. private equity firm Blackstone Group LP is in advanced talks to buy an approximate 55 percent stake in the Financial and Risk business of Thomson Reuters Corp for more than \$17 billion, three sources familiar with the matter said on Monday.

United's New Hub Plan May Spur Lower Airfares

Scott Kirby has a very specific view about how the three U.S. hub-and-spoke airlines work best, having managed two of them. In his current job as president of United Continental Holdings Inc., Kirby's role is to oversee a major overhaul of how the carrier operates, beginning with a broad restructuring of its three domestic-focused hubs.

UK Annoys EU with call for help on Brexit plan

Struggling to find an approach to Brexit that can win the support of her divided cabinet, May is asking European officials and leaders to come up with ideas on what kind of future relationship might be on offer, they said on condition of anonymity.

Economic Calendar

Date	Release
01.04.2018	PH: CPI YoY
01.04.2018	PH: CPI NSA MoM
01.04.2018	PH: CPI Core YoY
01.18.2018	PH: Budget Balance Php
01.23.2018	PH: GDP Annual YoY

Source: Bloomberg Economic Calendar