

# The Daily Dispatch

February 12, 2018  
TODAY'S TOP NEWS

## PH foreign trade up 9.9% in 2017

The country's overall foreign trade in goods grew last year as the country's import momentum continued on the back of a growing economy. Total merchandise trade for full year 2017 increased by a rate of 9.9% compared to the 5.8% full-year trade growth seen in 2016 preliminary statistics from the PSA.

## PAL certified as 4-star airline

Lucio Tan-led flag carrier Philippine Airlines (PAL) is now a 4-star airline. International air transport rating organization Skytrax certified PAL as a 4-star airline, after it conducted an audit of the airline's in-flight and on-ground service and noted major enhancements to its end-to-end passenger experience, PAL announced.

## Farm sector grows 4% in 2017

The agriculture industry bounced back in 2017, growing by 3.97 percent amid improvements in most sub-sectors. This was a turnaround from the 1.4 percent decline in 2016, based on the latest report of the Philippine Statistics Authority.

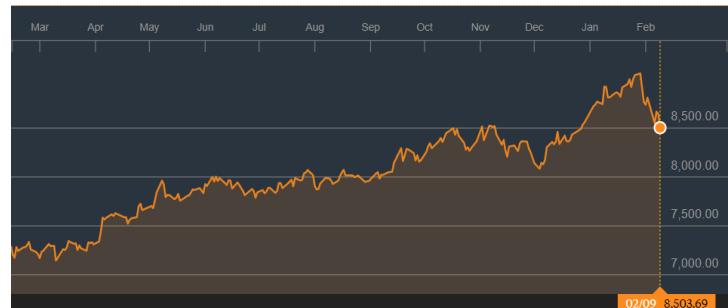
## New incentive system to attract high-tech ind.

The new tax reform package proposed by the DOF is designed to establish a tax incentives system that would attract investments in high technology and advanced industries. The new tax incentives system under Package 2 of the CTRP seeks to encourage the entry of industries such as robotics, space technology and advanced health care.

## Dusit Int'l sets Philippine expansion

Dusit International is looking to further expand its presence in the country as it continues to scout for potential locations, its local arm said. Evelyn Singson, president and vice-chairman of Philippine Hoteliers Inc. identified Palawan, particularly Coron, and Boracay as locations the international hotel is looking at.

## Philippine Stock Market Update



Previous Close:

8,503.69

1 Yr Return:

19.24%

Open:

8,533.80

YTD Return:

-0.81%

52-Week Range:

7,146.27 - 9,078.37

Source:

Bloomberg

## Foreign Exchange

As of Feb. 09, 2018

US Dollar	Philippine Peso
1	51.561

## PDST-R2 Rates

As of Feb.09, 2018

Tenor	Rate
1Y	2.9265
3Y	4.3699
5Y	4.9193
7Y	6.1804
10Y	6.5332
20Y	6.0013

## Daily Quote

"The two most important days in your life are the day you are born and the day you find out why."

--Mark Twain

# The Daily Dispatch

## MORE LOCAL NEWS

### AIIB lines up infra projects for PH

The China-led AIIB is lining up several sustainable infrastructure projects that they could finance for the Philippine government. AIIB officials recently met with the DOF and the NEDA to talk about projects that the government wants financed over the medium term.

### 2017 a 'very good year' for Megaworld

Megaworld Corporation is expected to report robust growth in earnings for 2017. In an interview, Megaworld Senior Vice President Kevin Tan said that, while the firm will not be announcing its financial performance until March, he noted that "2017 was a very good year, that's all I can say."

### MPIC unit set to start Batangas road 2019

MPCala Holdings Inc. plans to start the construction of the P22.43 billion Cavite-Batangas Expressway by the third quarter of 2019. "If the Swiss challenge will take place and award of the project is given to us within the year, detailed design can be then started next year...," MPCala president and chief executive Luigi Bautista said.

### PLDT, Globe prefer to build their own towers

The country's two largest telcos said the government cannot prohibit them from building their own cellular towers amid the proposed common tower policy. PLDT chairman and chief executive Manuel Pangilinan said his company should be allowed to build its own cellular towers pursuant to the requirements of Smart and PLDT.

### Vista Land eyes 60 malls by 2020

Vista Land & Lifescapes Inc. is ramping up its expansion with a target to triple its shopping mall portfolio in the next three years, as it rides on the country's sound macroeconomic fundamentals. The property developer targets to have 60 malls by end of 2020 from the current 22 malls in its portfolio.

### China approves PH panda bond offering

China's monetary authorities have approved the Philippine government's planned maiden panda bond offering, the Finance department said. "I am pleased to share with you that the issuance of panda bond was approved by People's Bank of China and NAFMII," the Bank of China was quoted as saying in a report to DOF Secretary Carlos

### Hotel industry to add 3,400 rooms this year

Metro Manila will likely see a fresh supply of 3,400 hotel rooms this year, more than double the new accommodations that entered the hospitality space last year, as more developers complete their projects especially at the BGC central business district, property consulting firm Colliers said.

### Tax amnesties to complete Package 1 of TRAIN

Both the House of the Representatives and the Senate are on marathon hearings to pass two tax amnesty bills—an estate tax amnesty and a general tax amnesty covering all taxes—both bills being a component of Package 1B, which will complete Package 1 of the TRAIN

### AC Energy aiming to complete 3 biomass projects

AYALA CORP.'S energy unit targets to finish in the next two years the three recently acquired biomass projects to qualify for the guaranteed power rate offered under the extended feed-in-tariff (FiT) system, a company official said.

## TODAY'S TOP ASIAN NEWS

### Alibaba to invest in CH home improvement chain

Alibaba Group Holding Ltd. plans to buy a 15 percent stake in a chain of Chinese home improvement and furniture stores as part of its pushing into "new retail," the company said Sunday. The e-commerce giant will invest about 5.45 billion yuan (\$865 million) in Beijing Easyhome Furnishing Chain Store Group Co.

# The Daily Dispatch

## MORE ASIAN NEWS

### Foxconn unit planning \$4B investment after IPO

Foxconn Industrial Internet Co., is seeking to use proceeds from an initial public offering in China to bankroll 27.3 billion yuan (\$4.3 billion) investment in next generation projects. Foxconn Industrial is looking to fund eight new technology projects, the firm said in an application prospectus on the China Securities Regulatory Commission

### CITIC PE nears \$1.4b first close for latest fund

CITIC Private Equity Funds Management is set to hit the first close at \$1.4 bn for its latest fund, where it plans to raise \$2 bn. The final close is expected to happen in Summer. According to PE International, CITIC PE had begun raising capital for its latest vehicle – CPE China Fund III – that has a hardcap of \$2.2 bn in December.

### China's Shandong Ruyi buys Swiss luxury brand Bally

Shandong Ruyi has agreed to buy a controlling stake in Swiss luxury shoe and accessories firm Bally from Luxembourg-based JAB Holding, the companies said on Friday, as the Chinese textile maker builds up a portfolio of fashion labels.

### Eduvant Financing raises funds from Blinc Advisors

Eduvant Financing Pvt. Ltd, an education technology start-up that provides loans for skill development to students, has raised \$500,000 in a round of funding led by Blinc Advisors, a venture capital fund, a senior executive at the start-up said.

### Moonrise Capital eyes \$100m China-focused VC fund

US-headquartered global venture capital firm Moonrise Capital has informed the US Securities and Exchange Commission (SEC) that it is raising \$100 million for a China-focused venture capital fund. Moonrise Capital said it is launching the Moonrise China Partners I, a venture capital fund registered in the state of Connecticut.

## TODAY'S TOP GLOBAL NEWS

### Amazon turning 4 cities into grocery battlegrounds

The Amazon-fueled grocery price war may have finally arrived. News that Amazon.com will start offering two-hour delivery from Whole Foods stores in four U.S. cities has the food world buzzing that competition is about to heat up in an industry that survives on razor-thin margins.

### May to set out 'Road to Brexit' in several speeches

Prime Minister Theresa May will attempt to unite her feuding Cabinet and convince a sceptical European Union that Britain knows what it wants from Brexit in a series of speeches over the next few weeks. Britain is hoping to seal a transition deal next month to smooth its exit from the EU.

### Citigroup to invest in London despite Brexit

Wall Street bank Citigroup Inc (C.N) will set up an innovation center in London in one of the first investments by a big U.S. bank since Brexit, the Financial Times reported on Sunday. Citi will initially hire 60 technologists for the center, James Cowles, chief executive Officer for Europe, the Middle East and Africa (EMEA), told the FT.

### Emirates firms up \$16 bn order for A380

Emirates signed a contract on Sunday to buy as many as 36 Airbus A380 aircraft worth as much as \$16 billion at list prices, firming up an order that is crucial to the future of the world's biggest passenger jet.

## Economic Calendar

Date	Release
02.05.2018	PH: CPI YoY
02.06.2018	Foreign Reserves
02.08.2018	BSP Overnight Borrowing Rates
02.11.2018	Budget Balance PHP
02.14.2018	Overseas Remittances YoY

Source: Bloomberg Economic Calendar