

The Daily Dispatch

February 22, 2018
TODAY'S TOP NEWS

Inflation impact of new tax law minimal, says DOF

The newly enacted tax reform law may raise inflation by 0.7 percentage points in the first year of its implementation, a level which is considered “minimal and manageable,” according to the Department of Finance (DOF).

New hotels to bring in more tourists

“While the new hotels address the accommodation supply gap in the market, they are also key in generating new demand as big hotel brands promote PH cities internationally and integrated resorts such as Okada, Solaire, [...] and the upcoming Westside City Resorts World make Manila the Las Vegas of Asia,” said Rick Santos.

ERC starts issuing approvals for power plants' COC

Filipino consumers must no longer be jittery of power supply interruptions during the summer months, as the Energy Regulatory Commission (ERC) has started delivering on its promised approval of certificates of compliance (COCs), or the operating licenses of power plants.

DOF pushes capital hike for insurance firms

The Department of Finance (DOF) is determined to implement the current law governing the capital requirements for insurance companies despite the appeal from the industry to review the country's insurance code.

NEDA seeks to strengthen trade ties with U.S.

The Philippine government plans to implement measures aimed at strengthening its ties with the United States, said the NEDA, after it saw upbeat trade performance last year. "We have a positive trade balance with the US and we want to keep it that way," the NEDA director-general said.

Philippine Stock Market Update



Previous Close: 8,613.65 1 Yr Return: 18.45%

Open: 8,598.50 YTD Return: -0.60%

52-Week Range: 7,146.27 - 9,078.37 Source: Bloomberg

Foreign Exchange

As of Feb. 21, 2018

US Dollar	Philippine Peso
1	52.160

PDST-R2 Rates

As of Feb. 21, 2018

Tenor	Rate
1Y	3.9161
3Y	4.8157
5Y	5.1245
7Y	6.7139
10Y	6.8625
20Y	6.3764

Daily Quote

“Instead of looking at the past, I put myself ahead twenty years and try to look at what I need to do now in order to get there then.”

--Diana Ross

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MORE LOCAL NEWS

Italian insurer Generali refocuses on PH market

Global insurance giant Generali Group has reemerged to focus on potentially lucrative gaps in the Philippine insurance market. The Italy-based group had a 17-year partnership with Henry Sy-led BDO Unibank Incorporated which ended in 2016 when the country's largest bank bought out its share of the joint venture.

IC may put net worth cap on insurance firms

IC is studying the possibility of putting a cap of P900 million on the net worth requirement of insurance companies in the country. They said in a briefing majority of insurance companies had already complied with the previous limit of P550 million and that those who failed to comply were issued a cease-and-desist order.

PCC studies plan to increase threshold for review

The PCC said it is mulling over proposals to increase the mandatory notification threshold for M&A to more than P1 billion amid numerous requests from private companies and legislators. PCC chairman said the possible hike in notification on threshold was a part of a series of policy enhancements the agency was undertaking for the year.

Ayala Land hikes stake in Malaysian property firm

Ayala Land said it raised its stake in MCT Bhd of Malaysia to 72.31 percent at the end of the mandatory takeover offer Monday. Ayala Land said in a disclosure to the stock exchange unit Regent Wise Investment Ltd. received acceptances for 295,277,782 millions shares, equivalent to 22.12 percent of MCT's total outstanding shares.

PAL defers plan for P20-b Terminal 2 expansion

Flag carrier Philippine Airlines said Wednesday its proposal to build a P20-billion passenger terminal at the former Nayong Pilipino complex has to "take a back seat" after a "super consortium" submitted an unsolicited bid to rehabilitate and expand Ninoy Aquino International Airport.

Restrictions on foreign investors to ease soon

THE NEW Foreign Investment Negative List (FINL) that, among others, will allow foreign contractors to take on local projects may be approved by President Rodrigo R. Duterte early next month, a Cabinet official said on Wednesday.

Consumer spending growth to slow but remain strong

CONSUMER SPENDING could ease in response to rising commodity prices due to tax reform, an analyst at ANZ Research said, even as the Finance department maintains that the higher taxes should have a "minimal" impact on inflation.

Ayala Land plans to raise up to P25 billion

AYALA LAND, Inc. (ALI) plans to raise up to P25 billion from a combination of retail bonds, loans, and qualified buyer notes this year to partially finance its aggressive spending program and to refinance existing debt.

Union Bank lists deposit notes on PDEEx

Aboitiz-led Union Bank of the Philippines debuted on the local fixed income platform Philippine Dealing Exchange Corp. (PDEEx) yesterday, raising P3 billion from the issuance of high-yielding deposit notes.

TODAY'S TOP ASIAN NEWS

SG's central bank gets a trigger for tightening

Singapore's government may have given the central bank a green light to charge ahead with monetary policy tightening this year. Economists are more confident in their calls that the Monetary Authority of Singapore will exit its neutral stance as soon as the next scheduled decision in April.

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MORE ASIAN NEWS

Hap Seng eyes majority stake in palm oil firm

Malaysian investment holding firm Hap Seng Plantations Holdings Bhd (HSPB) has proposed to acquire a 55% stake in palm oil company Kretam Holdings Bhd for \$300 mn. HSPB said it had entered into a conditional share sale agreement with Kretam CEO Freddy Lim Nyuk Sang for the acquisition of a 33.5% stake for \$183 mn.

CLP India said to be eyeing power transmission biz

CLP India Pvt. Ltd, one of the largest foreign investors in the Indian power sector, is interested in acquiring Essel Infraprojects Ltd's power transmission business at a potential valuation of around \$1 billion. This makes it the second company to evince interest in acquiring these assets.

Solar energy startup SolarHome raises \$1.2m

Singapore-headquartered SolarHome, which offers pay-as-you-go (PAYG) solar for off-grid households in Southeast Asia, announced that it had raised another \$1.2 million in growth capital via convertible notes to a consortium of backers, including local venture capital firm and return backer Beenext.

Paytm Payments Bank eyes profitability in 2-3 years

Having set up its base last year Paytm Payments Bank is targeting to make 2018 its growth year, with plans to roll out its banking outlets and a slew of financial products aiming at hitting profitability in the next two-three years.

CDPQ says aims to double RE investments in India

The real estate arm of Canada's second-largest pension fund manager wants to "more than double" the C\$800 million (\$631 million) it has already committed to investments in India in the short term, the unit's president said on Wednesday.

TODAY'S TOP GLOBAL NEWS

Broadcom lowers offer for Qualcomm

Singapore-based Broadcom said it was cutting its offer price for mobile chip maker Qualcomm in the wake of the US firm's increased bid for Dutch rival NXP. Broadcom reduced its offer to \$79 a share, which would still be the largest-ever deal in the tech sector if completed at an estimated value of nearly \$117 billion.

Bitcoin snaps five day winning streak

Bitcoin holders may have gotten a brief reprieve earlier this month after a rough January, but it didn't last long. The top digital coin fell as much as 12 percent Wednesday, whipsawing investors who were just starting to take a deep breath after last month's market rout.

GM offers S\$3.7b investment for unit in S. Korea

General Motors (GM) has proposed an investment of US\$2.8 billion (S\$3.7 billion) into its loss-making South Korean operations over the next 10 years, and has asked Seoul to provide its share of the funds, a South Korean government official said yesterday.

GE eyes \$4 bn in asset sales; no selling of stock

General Electric Co has "line of sight" on the first \$4 billion in asset sales under its plans for \$20 billion in disposals, the company's chief financial officer said on Wednesday, while dismissing talk about selling shares to raise capital.

Economic Calendar

Date	Release
02.18.2018	BoP Overall
02.25.2018	Budget Balance PHP
02.27.2018	Bank Lending YoY
02.27.2018	Money Supply M3 SRF YoY
02.28.2018	Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar