

The Daily Dispatch

March 21, 2017
TODAY'S TOP NEWS

BSP rate hike possible in Q2

The BSP is likely to raise interest rates toward the end of the second quarter amid sustained economic expansion and rising inflation, East West Banking Corp. president and CEO Antonio Moncupa said. He said the Monetary Board is likely to keep interest rates steady on Thursday but could tweak key policy rates in 2Q2017.

Power spot market prices drop to 6-yr low in Jan

More customers sourced power from the wholesale electricity spot market as prices plummeted to six-year lows in January, based on data from the Philippine Electricity Market Corp. In a statement yesterday, PEMC said effective settlement spot prices at the WESM plunged to P1.90/kwh for the January billing period.

Metro Retail net income climbed to P789M in 2016

Visayas retail giant Metro Retail Stores Group Inc. (MRSGI) reported a 24.3-percent increase in profits for the fourth quarter last year, boosting up the company's total net income to P789M for fiscal year (FY) 2016, from P758M in FY 2015, on the back of its operational initiatives and investments.

ABS-CBN net profit jumps 39% to P3.5B

ABS-CBN Corporation, the country's leading media and entertainment company, reported a 39% hike in net income to P3.5B last year, from the P2.5B earned in 2015. In a media and analysts briefing, ABS-CBN Chief Financial Officer Aldrin Cerrado said consolidated revenues grew 8.6% to P41.6B in 2016 from P38.3B reported in 2015.

Roxaco-Vanguard lines up 5 Go Hotels

The JV of Roxaco Land Corp. and Singapore-based Vanguard Hotels Select (Phil) Pte. Ltd. will have 5 operating Go Hotels before the end of May. Roxaco Land president/CEO Santiago Elizalde told reporters that Roxaco-Vanguard Hotel Corp. is expected to open its first batch of Go Hotels, which it franchised from Robinsons

Philippine Stock Market Update



Previous Close:

7,316.57

1 Yr Return:

1.18%

Open:

7,319.92

YTD Return:

7.26%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of March 20, 2017

US Dollar	Philippine Peso
1	50.137

PDST-R2 Rates

As of March 20, 2017

Tenor	Rate
1Y	2.6550
3Y	3.8924
5Y	4.0133
7Y	4.7232
10Y	5.0196
20Y	5.0000

Daily Quote

"A successful man is one who can lay a firm foundation with the bricks that others throw at him."

--Sidney Greenberg

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MORE LOCAL NEWS

LBC steps up guard vs money laundering

Logistics company LBC Express Inc. has stepped up efforts to combat financial crime. In a statement, LBC said members of its senior management group attended the annual anti-money laundering (AML) refresher training conducted by the Anti-Money Laundering Council last Feb. 16 at the Marriott Manila Hotel.

SMC sets rate for P15B bond offering

San Miguel Corporation (SMC) is set to return to the bond market starting Tuesday, March 21 to raise P15 billion largely to settle its \$300-million loan with a Japanese bank, which will mature in November. The planned 5-year bond offering worth P15 billion is set at an interest rate of 5.1923% per year.

Ayala Land enters co-working space biz

PROPERTY giant Ayala Land, Inc. (ALI) has ventured into the development of co-working spaces through Clock In, riding on the robust demand from start-up companies and freelancers.

Malaysia offers to help develop Clark

Socioeconomic Planning Secretary Ernesto M. Pernia said Malaysian investors had proposed to organize the government institutions that would set up shop at the 9,450-hectare Clark Green City, which will be the country's first smart, disaster-resilient and green metropolis spanning towns in Pampanga and Tarlac.

Govt clears 12 power plants for impact studies

The DOE cleared a dozen power generation projects, with a combined capacity of over 1,900MW, to proceed to the next stage of development involving grid impact studies. Data from the agency showed the department approving a planned 660MW coal plant in Bataan, a 500MW pumped storage hydro plant in Benguet and 10 RE projects for GIS.

TODAY'S TOP ASIAN NEWS

CH M&A scrutiny helped void up to \$75B in deals

Chinese acquirers are seeing a large number of cross-border deals blocked at home and abroad as a sharp increase in volume makes regulators on both sides of transactions more cautious, Linklaters LLP said in a report Monday.

Several O&M counters take beating from Ezra fallout

Punters and analysts betting on the offshore and marine (O&M) sector bottoming out may have to do a second take after Ezra Holdings' Chapter 11 filing over the weekend battered several of its peers on Monday. Shares of the big three local banks also retreated over their exposure to Ezra.

Bonds seen as ideal financing tools for CH PPP

Bonds may be a better financing tool for China's public private partnership (PPP) projects than the asset-backed securities (ABS) being encouraged by central government, according to Moody's.

CH eases licensing requirements for foreign banks

China's banking regulator has eased licensing rules for foreign-owned banks on investment banking services in the country, and their investment into domestic banking institutions, in an continued effort to further open up the nation's financial sector and allow more Chinese firms to do business overseas.

Ant considering higher offer for MoneyGram

Billionaire Jack Ma's Ant Financial is considering whether to make a higher offer for MoneyGram International Inc., according to a person familiar with the negotiations, after the U.S. company said a smaller rival's bid could be a better deal.

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MORE ASIAN NEWS

HNA said in \$2.21b deal to buy NY office tower

Chinese conglomerate HNA Group is leading a deal to acquire Manhattan's 245 Park Ave for US\$2.21 billion (\$3.09 billion), one of the highest prices ever paid for a New York skyscraper, two people with knowledge of the negotiations said.

Hong Kong Life Insurance sold for HK\$7.1b

Hong Kong Life Insurance, an insurer owned by five Hong Kong financial institutions, was sold to First Origin International for HK\$7.1 billion. Incorporated in Hong Kong, First Origin is an investment holding company with a focus on investment in the financial and technology sectors in Asia.

Coal producer surges on huge special dividend

Shares of China Shenhua Energy, the listed flagship of the nation's largest coal producer, Shenhua Group, jumped as much as 20.2 per cent after its board declared a dividend payout of more than double its net profit for last year.

CH urged to play bigger role in global commodity

As China pledges to internationalise its futures markets, the country should open commodity futures trading to foreign participants and play a bigger role in setting global prices for metal, energy, and agricultural commodities, according to industry players and analysts.

SG-listed Ezra files for US bankruptcy

Ezra Holdings Ltd., a Singapore-listed offshore services group, filed for bankruptcy in the U.S. after weeks of facing hostile actions from creditors at home and abroad as it struggles to recover from a slump in oil prices over the past three years.

TODAY'S TOP GLOBAL NEWS

RBA warns of housing risks as reflation emerges

Australia's central bank highlighted threats in the property market and an acceleration of domestic household debt even as it lent credence to the global reflation story. "Data continued to suggest that there had been a build-up of risks associated with the housing market," it said in minutes released Tuesday.

Economies seen to improve drastically in 2017

Expect more good news than bad when it comes to global growth this year, led by recoveries in several of Latin America's largest economies, a pickup in the U.S., and continued robustness from China and India. The expectation is that 62 economies are slated for an improvement compared with last year, according to Bloomberg analysis.

RUS and CH bypass US dollar in world money market

Russia's central bank opened its first overseas office in Beijing on Thursday, marking a small step forward in forging a Beijing-Moscow alliance to bypass the US dollar in the global monetary system.

UK banks 'handled' \$740m in laundered RUS money

Several British banks allegedly processed nearly US\$740 million (\$1.03 billion) in a multi-billion dollar Russian money-laundering scam, The Guardian newspaper reported on Monday (March 20).

Economic Calendar

Date	Release
03.20.2017	PH: BoP Overall
03.23.2017	PH: BSP Overnight Borrowing Rate
03.30.2017	US: GDP Annualized QoQ
03.31.2017	PH: Money Supply M3 SRF YoY
03.31.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar