

# The Daily Dispatch

June 05, 2017  
TODAY'S TOP NEWS

## DOF expects P130 B from House's tax reform

The DOF has raised its expected revenues from the House-approved tax reform Package One after lawmakers favorably modified some provisions of the VAT exemptions. Finance Secretary Dominguez said they are “happy” with the version approved by the House last week as the measure could potentially generate around P130B in revenues

## SMC interested in MRT-3 rehab

SMC president and chief operating officer Ramon Ang said the conglomerate has expressed its interest to rehabilitate the train system which currently covers North Ave. station in Quezon City until Taft station in Pasay City. “If government will allow us, we can submit unsolicited proposal,” he told reporters.

## Phl needs more time to get credit upgrade - CS

Credit Suisse said the Phil. has to wait to get another upgrade from S&P and Moody's even with the passage of the government's tax reform program. Michael Wan, economist at Credit Suisse, said the country lags behind other countries with ratings of two notches above investment grade such as the per-capita GDP and revenue to

## Phl infra projects in Russia to get \$1B funding

VTB Bank, one of the leading universal banks in Russia and majority owned by its government, has committed to pour in \$1 billion to finance key infrastructure and other projects of Philippine companies to be developed in Russia and in former Soviet Republics.

## Robinsons, Roxaco partner for more GoHotels

Robinsons Land Corp., the owner-developer of the Go Hotels chain, has expanded its partnership with Roxaco-Vanguard Hotels Corp., a joint venture of Roxaco Land Corp. and Singapore's Vanguard Hotels Select (Phil.) Pte. Ltd., to develop five Go Hotels in Metro Manila's prime locations.

## Philippine Stock Market Update



Previous Close:

7,907.66

1 Yr Return:

8.32%

Open:

7,954.62

YTD Return:

16.97%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

## Foreign Exchange

As of June 2, 2017

US Dollar	Philippine Peso
1	49.511

## PDST-R2 Rates

As of June 2, 2017

Tenor	Rate
1Y	2.8402
3Y	3.8872
5Y	4.1400
7Y	4.8268
10Y	4.7263
20Y	5.4554

## Daily Quote

"Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you're climbing it." --Andy Rooney

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## MORE LOCAL NEWS

### Public float rule to hit 37% of total listed firms

According to Philippine Stock Exchange (PSE) data, as of end-March, about 121 of the 322 total listed firms will be affected by the SEC's move to double the minimum public float of listed firms to 20 percent, from the current 10 percent, by end of 2020.

### Casino stocks plunge after Resorts World attack

Top casino operators in Manila took a beating on the local bourse after the attack on Resorts World Manila in Pasay City, with investors selling down their gaming stocks. Travellers International Hotel Group Incorporated, the operator and developer of Resorts World Manila, closed at P3.10, down 8.82% from that of Thursday, June 1.

### PH tourism braces for impact of Resorts World attack

The country's travel and tourism industry is bracing itself for the negative impact of the attack of a lone gunman on Resorts World Manila, which killed over 30 people on Friday, June 2. Authorities quickly downplayed it as an "isolated incident" caused by a "mentally disturbed" person who had attempted to rob the casino.

### GBP buys 50% of Alsons unit

Global Business Power Corp., an energy producer led by MPIC, acquired a 50-percent stake in the coal holding unit of Alsons Consolidated Resources Inc. Alsons, the publicly-listed company of the Alcantara Group and a long-time Mindanao investor, signed an agreement with GBP, a leading power producer in the Visayas.

### Meralco allocates P18b for capex

Power retailer Manila Electric Co. is seeking approval of the Energy Regulatory Commission to implement an P18-billion capital expenditure program for fiscal year July 2017 to June 2018. The company said the 2018 capex program was geared towards providing reliable service to customers.

### SteelAsia proposes 8Y buyout of National Steel

SteelAsia proposed an 8-year compensation program to acquire National Steel Corp. and pay P7.4 billion worth of debt incurred by the steel company based in Iligan City. Industry group Philippine Iron and Steel Institute said these were among the important points included in the proposal submitted by SteelAsia.

### Araneta completes PhilWeb acquisition

Gregorio Araneta, Inc. has officially acquired listed technology services provider PhilWeb Corp. after businessman Roberto Ongpin completed the sale of 118.5 million shares priced at P2.60 each. In a disclosure to the PSE on Friday, PhilWeb said the transaction marks the 2nd and final tranche of the sale of Ongpin's holdings.

### CHIB raises P6.3B from 2nd tranche of LTNCTDs

Listed commercial bank China Banking Corp. said over the weekend it raised P6.34 billion from the issuance of its second tranche of long-term negotiable certificates of time deposit (LTNCTD) due 2022, which will be used to support its strategic initiatives and business expansion.

### P27-B Manila-Tagaytay toll road eyed

Conglomerate San Miguel Corp. has submitted to the Duterte administration a P27-billion unsolicited proposal to build an alternative tollroad that will link Tagaytay to Metro Manila via Cavite and Batangas.

### MVP gains foothold in Mindanao's power sector

The group of businessman Manuel V. Pangilinan has gained a foothold in Mindanao's power sector with a deal to acquire a 50 percent stake in Alcantara family's coal power generation holding firm Alsons Thermal Energy Corp. (ATEC) for an estimated price of P4.25 billion.

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## Cebu Pac: more aircraft to 'high-traffic' destinations

CEBU PACIFIC will redeploy the aircraft used for the recently discontinued Riyadh, Doha and Kuwait routes to "high-traffic" destinations such as Hong Kong and Davao.

## TODAY'S TOP ASIAN NEWS

### Asian leaders vow to combat terror threat

As global defense chiefs debated what "America First" and China's rise meant for Asia's future, regional officials focused on a more immediate concern: terrorism. Southeast Asian defense officials who attended Asia's most high-profile security conference in Singapore this weekend repeatedly urged cooperation to counter the growing threat.

### Rest assured, China has its economy's back

The People's Bank of China has surprised many with its tolerance for market pain as it squeezes leverage in parts of the financial system. But rest assured, China won't clamp down so hard it endangers President Xi Jinping's goal to keep growth above 6.5 percent, according to economists.

### South Korea launches \$13.8b stimulus package

South Korea's new government announced a 11.2 trillion won (\$\$13.84 billion) fiscal stimulus package on Monday (June 5), increasing social welfare subsidies and taking the first steps to deliver on President Moon Jae-in's key election promise - to create 810,000 public sector jobs.

### GZ Rural Bank seeks US\$1.1 billion IPO in HK

Guangzhou Rural Commercial Bank (GRCB) has filed preliminary documents for a Hong Kong initial public offering worth up to HK\$8.33 billion (US\$1.1 billion).

### Shenhua, CN Guodian in talks for \$267b merger

Shenhua Group Corp., China's biggest coal miner, and China Guodian Corp., one of the nation's largest coal-fired power generators, are in merger discussions, according to people with knowledge of the matter.

## TODAY'S TOP GLOBAL NEWS

### Americans are ho-hum on Japan's stock rally

Japan's stocks are on a roll this year, but even with a stronger yen to boost returns in dollars, Americans aren't impressed. "Overall interest in Japanese equities was fairly subdued during our recent U.S. marketing trip," Goldman Sachs Group Inc. analysts wrote. "Most long-only U.S. investors remain underweight Japan."

### Australia has become a lonely rate cut candidate

A month can be a long time in economics. Since the Reserve Bank of Australia's last policy decision, market bets on an interest-rate cut by the end of this year have doubled. While that chance is still only less than 20 percent, swaps traders saw the nation as the only developed economy where cuts are possible in the coming year.

### Apple, Amazon may join bid for Toshiba chip

Apple Inc and Amazon.com Inc will join Foxconn's bid for Toshiba Corp's semiconductor business, the Nikkei business daily quoted Foxconn Chairman Terry Gou as saying on Monday.

#### Economic Calendar

Date	Release
06.05.2017	PH: CPI YoY
06.07.2017	PH: Foreign Reserves
06.08.2017	PH: Unemployment Rate
06.08.2017	PH: Trade Balance
06.14.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar