

# The Daily Dispatch

September 15, 2017  
TODAY'S TOP NEWS

## JFC supports retention of incentives for BPM

The Joint Foreign Chamber of Commerce (JFC) of the Philippines has backed the call to retain the incentives currently being enjoyed by the Business Process Management (BPM) industry, noting the latter's decline in terms of global standing should already be a "wake up call."

## Biz Buzz: Long road to (fee) recovery

After what seemed like ages, Maynilad Water Services Inc.—the water utility of Manuel Pangilinan-led Metro Pacific Investments Corp.—is finally on its way to getting the rate increase it wanted to implement as early as 2013.

## New residential tower in Filinvest City unveiled

Gotianun-led property developer Filinvest Land Inc. has unveiled its second residential tower at residential condominium complex The Levels in Filinvest City.

## PH to add more sectors w/ 100% foreign ownership

The government is targeting to release a "shortened" list of investment areas or activities reserved solely for Filipinos by year-end, citing the need to liberalize more sectors. To do this, Secretary Ernesto Pernia said the Philippines will allow more investment areas where foreigners can fully own a company.

## PH stocks post all-time high amid upbeat US market

The Philippine Stock Exchange index (PSEi) braved ghost month as it posted its highest close in history on Thursday, September 14, on the back of the upbeat US market and a "buy" recommendation on local property shares. The PSEi closed at 8,144.91, up by 91.03 points or 1.13% from Wednesday, September 13's close.

## Philippine Stock Market Update



Previous Close:

8,018.05

1 Yr Return:

-0.34%

Open:

8,015.68

YTD Return:

15.58%

52-Week Range:

6,499.00 - 8,106.74

Source:

Bloomberg

## Foreign Exchange

As of Sept 14, 2017

US Dollar	Philippine Peso
1	51.151

## PDST-R2 Rates

As of Sept 14, 2017

Tenor	Rate
1Y	2.9102
3Y	3.6343
5Y	4.5582
7Y	4.3355
10Y	4.5806
20Y	5.5264

## Daily Quote

"The way to get started is to quit talking and start doing."

--Walt Disney

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## MORE LOCAL NEWS

### August net outflows hit \$58M as ghost month begins

The onset of ghost month coupled with rising tensions from North Korea's missile tests combined to see hot money leave the country in August. The Bangko Sentral ng Pilipinas (BSP) said on Thursday, September 14, that foreign portfolio investments amounted to \$936 million for August 2017.

### DBS sees sharp moderation in investment growth

DBS Bank Ltd of Singapore sees a steeper moderation in investment growth this year due to the steady decline in capital goods imports over the past few months. "Going by the pace of inventory drawdown so far this year, the moderation in investment growth is likely to be slightly steeper than previously thought."

### Cirtek to issue preferred shares

Cirtek Holdings Philippines Corp. (CHPC) will issue preferred shares to raise capital. In a disclosure yesterday, Cirtek said its board of directors approved the creation of 270 million preferred B shares with a par value of one peso per share "for a possible capital raising exercise that will be conducted by the company."

### Non-life insurers cleared to invest in real estate

Non-life insurance companies are now allowed to invest their assets in real estate properties, the Insurance Commission (IC) said yesterday. Insurance Commissioner Dennis Funa has signed Circular Letter 2017-43 which prescribes the guidelines for non-life insurance firms interested to invest in real properties.

### JFC:At least \$10B yearly FDI possible with reforms

The Philippines can easily attract at least \$10 billion in foreign direct investments (FDI) annually once existing restrictions and improvement on its overall competitiveness are addressed, the Joint Foreign Chambers (JFC) of the Philippines said.

### 3rd mtg set in Tokyo for PH-JP infra cooperation

Economic managers are set to meet with Japanese officials later this month to discuss ways of speeding up the implementation of the Duterte administration's flagship infrastructure projects and separately brief potential investors on the prospects for the Philippine economy.

### PSE to raise more than P1.5B loans for acquisition

The board of the Philippine Stock Exchange Inc. (PSE) has approved the plan to secure more than P1.5 billion in loans to fund its acquisition of PDS Holdings Inc. PSE said it will raise the amount from Banco de Oro, Metrobank or Bank of Commerce.

## TODAY'S TOP ASIAN NEWS

### China's economy loses steam in August

China's economy lost momentum in August, with industrial output and retail sales both seeing slower growth, though the weaker figures are unlikely to have come as a surprise to Beijing as it continues to instigate the supply side reforms that are so central to President Xi Jinping's vision.

### Foxconn to spend US\$5.7 billion in Nanjing

Hon Hai Precision Industry Co., the world's largest contract manufacturer for consumer electronics, said it will invest 37.5 billion yuan (US\$5.74 billion) to expand its facilities in Nanjing city, turning it into the largest smartphone assembly on the planet and a hub for research and development.

### Thai starch producer plans to close 2 acquisitions

SET-listed tapioca products manufacturer Thai Wah Plc is in discussions to acquire two production plants in Thailand and Vietnam at a total investment of about 1 billion baht. The company plans to fund the acquisition with cash reserves.

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## MORE ASIAN NEWS

### Alibaba's Jack Ma sets his sights on a new target

After conquering grocery deliveries, Alibaba Group Holding Ltd. is setting its sights on a new part of China's \$4 trillion retail sector: department stores. The e-commerce giant, which is also venturing into cloud computing and entertainment, is increasingly looking at traditional brick-and-mortar businesses.

### Saudis may delay Aramco's US\$100B IPO to 2019

Saudi Arabia is preparing contingency plans for a possible delay to the initial public offering of its state-owned oil company by a few months into 2019, according to people familiar with the matter.

### HK: Co-living the new norm for young professionals

Safe, cosy and above all, affordable: a rare thing in Hong Kong, one of the world's most expensive places to find a home. But those are precisely the attributes that are driving young professionals in the city to opt for co-living spaces – small rooms built around communal living and cooking areas.

### China's UrWork rejects lawsuit by US rival WeWork

UrWork, one of China's biggest providers of co-working space, has rejected a lawsuit filed by US rival WeWork alleging trademark infringement in the US and UK markets, as the rivalry between the two dominant players in their home markets increases in their bids to expand globally.

## TODAY'S TOP GLOBAL NEWS

### Bitcoin crashes after CH exchange halts trading

Bitcoin fell for a fifth day, the longest losing streak in more than a year, after one of China's largest online exchanges said it would stop handling trades by the end of the month amid a government crackdown on cryptocurrencies.

### JPM thinks Greg Abel is Warren Buffett's successor

Who will succeed Warren Buffett as CEO of Berkshire Hathaway Inc.? It's one of the most guarded secrets in the business world. That didn't stop JPMorgan's new Berkshire analyst from placing odds on one man. "The most likely successor in our view, who Warren Buffett regularly praises, is Greg Abel," JPMorgan's Sarah DeWitt said.

### U.S., Asian shares dip after NK missile launch

U.S. stock futures and Asian shares dipped after North Korea fired another missile over Japan into the Pacific Ocean on Friday, demonstrating Pyongyang's defiance in the face of intensifying sanctions.

### Alphabet talks with Lyft about possible investment

Alphabet Inc (GOOGLO) is in discussions with Lyft Inc about a possible investment in the ride-hailing company, potentially deepening an existing partnership between the two firms, a person familiar with the talks said on Thursday.

### Lawsuit accuses Google of bias against women

Three female former employees of Google filed a lawsuit on Thursday accusing the tech company of discriminating against women in pay and promotions. The proposed class action lawsuit comes as Google faces an investigation by the U.S. Department of Labor into sex bias in pay practices.

### Economic Calendar

Date	Release
09.04.2017	PH: CPI YoY
09.06.2017	PH: Foreign Reserves
09.11.2017	PH: Unemployment Rate
09.11.2017	PH: Trade Balance
09.14.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar