

The Daily Dispatch

October 10, 2017
TODAY'S TOP NEWS

SMC Global Power plans P20B bond offer

SMC Global Power, one of the country's largest power companies, plans to raise as much as P20B from an offering of retail bonds. The bond offer planned by the power unit of conglomerate San Miguel Corp. has obtained a triple-A credit rating or "PRS Aaa" with a "stable" outlook from credit watchdog Philippine Rating Services Corp.

PH food security ranking slips

The Philippines is becoming increasingly vulnerable to food insecurity with its ranking on the latest Global Food Security Index dropping to 79th out of 109 countries this year from 74th last year.

Peza investment pledges surge 94%

The Philippine Economic Zone Authority (Peza) nearly doubled the investment pledges it registered in the first nine months of the year compared to that of 2016, an increase that was mainly attributed to commitments to develop more economic zones.

Solar PH to sell power to contestable customers

SOLAR PHILIPPINES Power Project Holdings, Inc. is looking to sell the power generated by its two solar farms to contestable customers, or those whose consumption reached the required threshold and can buy their electricity through retail suppliers.

Smart to upgrade cell sites in Marikina, QC

Smart Communications Incorporated, the wireless subsidiary of PLDT Incorporated, is set to upgrade its cell sites in Marikina City and Quezon City this October. The upgrade is part of the network expansion and modernization plan that Smart promised when it bought half of the telecommunications assets of San Miguel Corporation.

Philippine Stock Market Update



Previous Close:	1 Yr Return:
8,367.38	13.07%
Open:	YTD Return:
8,354.88	22.53%
52-Week Range:	Source:
6,499.00 - 8,406.34	Bloomberg

Foreign Exchange

As of Oct. 3, 2017

US Dollar	Philippine Peso
1	51.256

PDST-R2 Rates

As of Oct. 3, 2017

Tenor	Rate
1Y	2.8576
3Y	3.6924
5Y	4.6500
7Y	4.3146
10Y	4.6441
20Y	5.4464

Daily Quote

"Everybody has a great idea for a startup, and so do their relatives, and they tell me, 'You gotta build it.' I say, 'I have to believe in it.'"

--Ashton Kutcher

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MORE LOCAL NEWS

Groups urge retention of 0 VAT for PEZA locators

Local business groups and the Joint Foreign Chambers (JFC) of the Philippines jointly called on Congress yesterday to retain the zero value-added tax (VAT) provisions for Philippine Economic Zone Authority (PEZA) locators in Senate Bill 1592.

Globe plans issuance of retail bonds in 2018

Globe CFO Rizza Maniego-Eala said the company is looking at the possibility of issuing retail bonds to raise funds next year. "That's an option for next year," she said. Earlier this year, Globe's board of directors approved to increase to P40B the amount of debt securities it could sell over the next 3 years.

Gov't eyes CN funding for Agus power plant rehab

The government is planning to ask China for funding assistance for the rehabilitation of the 982MW Agus-Pulangi Hydroelectric Power Plants. A high-level Philippine delegation, led by Dominguez, was in China last week to meet their counterparts and to brief Chinese business leaders on investment prospects in the Philippines.

PH 1st to meet global standards; extractive sector

An international multi-stakeholder group has cited the Philippines as the first country to meet all the requirements in the governance standards for the extractive sector – the oil, gas and mining industries.

VisMin power link-up could be EO 30 pilot project

The Visayas-Mindanao Interconnection Project (VMIP) is hinted as the 'pilot project' that will likely test the viability of President Rodrigo Duterte's Executive Order No. 30, or the Malacanang-issued policy streamlining processes of energy project approvals.

Megaworld sees strong demand for office spaces

Megaworld Corporation continues to be bullish about expanding its office portfolio across its townships all over the country amid concerns that demand may decline as business process outsourcing firms turn to automation and artificial intelligence.

Tax bureau sets CATS audit

The BIR probe of alleged tax violations by CATS Motors Inc. (presently Auto Nation Group Inc.) has moved forward with the luxury car importer having been notified of an audit. "[A] subpoena for documents [has been] issued per Large Taxpayers Service," Internal Revenue Commissioner Caesar Dulay told The Manila Times.

BIR hits Sept collection target

The Bureau of Internal Revenue (BIR) posted double-digit growth in tax collections for September, in the process also surpassing its target for the month. The bureau netted P138.17 billion, up 24.4 percent from a year earlier and bettering the month's P130.12 billion goal, preliminary data released on Monday showed.

Globe completes fund raising for 2018 capex

AYALA-LED Globe Telecom Inc. has completed raising funds for this year's capital expenditure (capex) requirements. "We're done with [the required] fund raising," Rizza Maniego-Eala, Globe chief financial officer told reporters on the sidelines of an event Thursday night.

Meralco signs deal with solar company

Manila Electric Co. has signed a supply agreement with Solar Philippines Tarlac Corp. for up to 85 megawatts of power supplied from the latter's Tarlac solar facility at P2.99 per kilowatt-hour. The country's biggest electricity retailer disclosed to the PSE on Monday it opted for the agreement in support of renewables.

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TODAY'S TOP ASIAN NEWS

Asian shares shrug off Wall St. weakness

Asian shares rose on Tuesday, shrugging off modest losses on Wall Street, while expectations of another U.S. interest rate increase this year continued to underpin the dollar. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.5 percent.

Ikea puts Southeast Asian market in its sights

Ikea is planning to enter South America and expand in Southeast Asia in its quest to dominate the world's home furnishings market. Those regions are on the Swedish company's radar after entries into India and Latvia this year, Inter Ikea Holding said Monday.

Saudi Aramco plans investment in top oil guzzler

Saudi Arabia's state-owned oil giant has "mega investment" plans for the world's fastest growing oil market, according to Saudi Arabian Oil Co.'s chief executive officer. The company, popularly known as Saudi Aramco, plans to create a fully integrated business in India and is interested in partnering with Indian companies.

Cash is pouring into SG's biggest venture fund

The Singaporean venture capital firm led by Finian Tan, who made his name investing early in Chinese search giant Baidu Inc., has completed its largest fundraising yet to bankroll global deals. Vickers Venture Partners raised a total of \$230 million, the company said in a statement.

CDL moves to take M&C private

The market had speculated about it for years, and on Monday, Singapore-listed CDL finally came out into the open, unveiling plans to buy the remaining shares in its majority-owned Millennium & Copthorne Hotels (M&C). CDL said it is looking to offer M&C shareholders 552.5 pence in cash/share, in a deal which values M&C at £1.8B.

TODAY'S TOP GLOBAL NEWS

Omantel offers to buy \$960M stake in Kuwait's Zain

Oman Telecommunication Co. is offering to buy a stake valued at as much as \$960 million in Mobile Telecommunications Co., two months after it acquired a minority holding in the Kuwaiti phone operator. State-controlled Omantel, the Gulf nation's biggest phone company, signed a non-binding letter of intent to purchase

Oil prices climb signals possible deal extension

Oil prices inched higher on Monday after one of the most bearish weeks in months, propped up by OPEC comments signaling the possibility of continued action to restore market balance in the long term.

Global funds eye AUS's \$1.8T pension pool

More global fund managers are setting up shop in Australia, drawn to the nation's \$1.8 trillion pension savings pool and new local investment opportunities. The developments are part of a broader global trend as low interest rates prompt money managers to increasingly seek assets they had previously seen as too risky.

AIG sees Q3 catastrophe losses of about \$3B

American International Group Inc (AIG.N) said on Monday it expected to book pre-tax catastrophe losses of about \$3 billion in the third quarter mainly related to hurricanes Harvey, Irma and Maria. AIG's shares were down about 1.7 percent at \$60.75 in extended trading.

Economic Calendar

Date	Release
10.01.2017	Nikkei Philippines PMI Manufacturing
10.04.2017	PH: CPI YoY
10.05.2017	PH: Foreign Reserves
10.09.2017	PH: Exports and Imports YoY
10.09.2017	PH: Trade Balance

Source: Bloomberg Economic Calendar