

The Daily Dispatch

October 18, 2017
TODAY'S TOP NEWS

Suspension on Lepanto Mining lifted

After eight months, the suspension order on Lepanto Consolidated Mining Co. imposed by former Environment Secretary Regina Lopez has been lifted upon the order of the Office of the President.

Calata rejects PSE's voluntary delisting proposal

Calata Corporation declined the offer of the PSE to take the voluntary delisting route, saying conducting a tender offer to small shareholders is "grossly impractical" and "will kill the company." Calata told its shareholders in an open letter that the firm is not capable of conducting a tender offer because of insufficient earnings.

Agri project gets P7.9b in financing

The Agriculture Department said it will exercise strict measures to prioritize infrastructure projects under the Philippine Rural Development Project with an additional P7.9B financing from the WB. The loan represents the first tranche of the \$450M additional financing sought by the department for the government's various expansion

NLEX invests P2.5b for expansion

NLEX Corp. said Tuesday it invested P2.5 billion for new expressway lanes at the North Luzon Expressway to ease traffic congestion and accelerate economic development in Central Luzon. NLEX said it built new expressway lanes from Sta. Rita, Guiguinto, Bulacan to San Fernando City, Pampanga.

Security Bank to issue LTNCD tranche

Security Bank Corp. is seeking to raise P5 billion in fresh funds, with an option to upsize based on demand, from the first tranche of a planned P20-billion offering of LTNCDs. The five-year LTNCDs will carry a 3.875 percent annual yield, the bank said in a disclosure to Philippine Stock Exchange on Tuesday.

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 Oct. 17, 2017

US Dollar	Philippine Peso
1	51.306

PDST-R2 Rates

As of Oct. 17, 2017

Tenor	Rate
1Y	2.8512
3Y	4.0650
5Y	4.5943
7Y	4.3457
10Y	4.8461
20Y	5.3875

Daily Quote

"If you want to go fast, go alone. If you want to go far, go together." -Anonymous

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MORE LOCAL NEWS

EU businessmen see no reason to leave Philippines

European investors in the Philippines said there is no reason for them to pack up and leave amid President Duterte's continued tirades directed against the European Union. "We are business as usual. Nothing has changed and we intend to keep it that way," European Chamber of Commerce of the Philippines president Guenter Taus said.

Banks' RE exposure excludes infra projects – BSP

Infrastructure projects are not included in the computation of the real estate and project finance exposures of big banks, according to the Bangko Sentral ng Pilipinas. The BSP issued Circular 976 laying down the changes to the ERRE of banks as well as the submission of the Report on Project Finance Exposures.

ATN Holdings rides on Build Build Build program

ATN Holdings Inc. hopes to capitalize on the Duterte administration's ambitious Build Build Build program. The company said it was raising P500 million to fund the acquisition of heavy equipment and expand the capacity of its rock crusher in Rizal to support the government's infrastructure program.

PSEi breaches 8,500 mark, ends at new high

Riding with the optimism felt overseas and expectations over the imminent end of the Marawi war in Mindanao, Philippine shares went past the 8,500 level for the first time yesterday, before settling with another record just a few points lower than that.

Czech fintech company pours in P18.6-B

Home Credit, Czech-owned finance technology company, is investing P18.6 billion up to 2018 in the country in an aggressive expansion of its four-year-old operation amid robust demand for electronic items, particularly smartphones, and cash loans.

Tagcash targets to raise \$16m via ICO

Micropayments platform Tagcash is seeking to raise up to \$16 million (P800 million) through its initial coin offering (ICO). In an interaction with DEALSTREETASIA, Tagcash founder Mark Vernon said, the funds raised in the digital token sale will be used to back Philippine-based startups.

PSE to launch short-selling in 2018

The Philippine Stock Exchange (PSE) aims to introduce short-selling as a hedging mechanism in the stock market by the first quarter of next year. Short-selling allows investors to sell stocks they do not own yet by borrowing the underlying securities, a practice already allowed under the Securities Regulation Code (SRC).

PH exports to EU seen hitting \$10B in '17

Trade and Industry Secretary Ramon Lopez warned of a "strong reaction" from the Duterte administration if the European Union (EU) would interfere in the Philippines' domestic affairs, reiterating the government's threat that it would be willing to cut trade ties when pushed to a corner.

PSE wants to operate electricity exchange

The Philippine Stock Exchange (PSE) is asking the Department of Energy (DOE) to give it the mandate to operate the country's spot electricity market, seen as a prospective win-win partnership for the local bourse and the deregulated local energy industry.

TODAY'S TOP ASIAN NEWS

Toys 'R' Us mulls options for \$2b Asia unit

Toys "R" Us Inc., the retailer that filed for bankruptcy in North America, has been exploring options for its growing Asian business including a potential initial public offering, people with knowledge of the matter said.

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MORE ASIAN NEWS

\$605m buyout of Nasdaq-listed SciClone Pharma

Nasdaq-listed SciClone Pharmaceuticals Inc. has been privatised and delisted from the New York-based stock exchange by a consortium consisting of entities affiliated with GL Capital Management GP Limited (GL Capital), Bank of China Group Investment Limited (BOCGI), CDH Investments, Ascendent Capital Partners and Boming.

China's yuan on track for further gains

China's yuan is likely to become one of the world's strongest currencies, even as concerns mount over slowing growth in the world's second largest economy, said Andy Seaman, fund manager and partner at British investment firm Stratton Street.

Hong Kong stocks tilt lower

Hong Kong stocks are likely to open lower on Wednesday, as futures point to a weaker start ahead of the kick-off of the Communist Party's twice-a-decade national congress today in Beijing. Hang Seng Index futures were down 0.3 per cent, at 28,628 in the pre-trade session on Wednesday morning.

TODAY'S TOP GLOBAL NEWS

Rio CFO, ex-CEO face SEC fraud charges

Rio Tinto Group, the world's second-biggest miner, and two of its former top executives have been charged with fraud over the alleged inflation of the value of coal assets in Mozambique acquired for about \$3.7 billion in 2011, the Securities and Exchange Commission said.

UBS Wealth stands pat on 20% chance of PRK war

UBS Group AG's wealth management unit got its in-house risk analysts to help gauge the threat of war on the Korean peninsula, mapped out the impact on its investments, and then decided to do nothing. UBS Wealth Management is ascribing a 20 percent chance that war will break out.

GS and Google among most active blockchain investors

Lloyd Blankfein last week tweeted that he's "still thinking about #Bitcoin," but the bank he leads is doing more than just thinking about the technology that underpins the cryptocurrency. Goldman Sachs Group Inc. is the fifth most active corporate blockchain investor.

Key takeaways from Wall St.'s 3Q earnings

As earnings season for the biggest banks drew to a close, Morgan Stanley and Goldman Sachs Group Inc. joined other major U.S. lenders in showing the advantages and drawbacks of calm markets. Like JPMorgan Chase & Co. and Citigroup Inc., the firms that reported Tuesday showed a decline in fixed-income trading revenue.

Cancer drugs help J&J top profit est.

Johnson & Johnson posted better-than-expected Q3 earnings, raising its full-year forecast due to growth from new cancer drugs and high-margin treatments picked up in its \$30B acquisition of Actelion earlier this year. Shares of J&J, part of the Dow Jones Industrial Average, rose 3.4 percent to \$140.79 on Tuesday.

Dropbox seeks more paying customers ahead of IPO

Dropbox Inc. introduced a new cloud-based file-sharing option for individual business users and a new feature for marketing and creative workers to share projects, seeking to lure more paying customers ahead of an expected public share sale.

Economic Calendar

Date	Release
10.15.2017	PH: Overseas Remittances YoY
10.15.2017	PH: Overseas Workers Remittances
10.18.2017	PH: BoP Overall
10.18.2017	PH: Budget Balance
10.30.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar