

The Daily Dispatch

November 06, 2017
TODAY'S TOP NEWS

Australia's ANZ quits retail banking in the Ph

Australia and New Zealand Banking Group Ltd (ANZ) said it would close its Philippine retail banking business as big Australian banks try to shed capital-intensive assets amid stiffer bank capital rules. "This decision is in line with ANZ's strategic priority to simplify the bank and improve capital efficiency," the lender said.

BSP lowers risk weighting for loans to boost MSMEs

The BSP has amended its policy to allow for higher risk when lending money to micro and small enterprises (MSMEs). In statement, the BSP said that its "Monetary Board approved the amendments to the risk-based capital adequacy framework for banks by assigning a lower risk weight of 20% on performing loans to MSMEs.

IMI hits NI of \$24.1M for first 9 months of 2017

Integrated Micro-Electronics Incorporated (IMI), the manufacturing arm of the Ayala Group, saw its net income rise by 16% in Q3 of this year compared to last, as its recent acquisitions bore fruit. In a disclosure to the stock exchange on November 3, IMI reported a net income of \$24.1 million for the first 9 months of 2017.

BGC develops office space for millennials

Ayala Land Inc. has expanded its shared office network, when it teamed up with Fort Bonifacio Development Corp. to launch Clock-In at the High Street, the first coworking space at Bonifacio High Street. Coworking involves a shared working environment that provides an opportunity to grow businesses without spending too much on office rent.

Jollibee ends 12 Hotpot venture

Restaurant operator Jollibee Foods Corp. said Thursday a joint venture company closed down its 12 Hotpot brand in China to focus on larger and fast-growing businesses. Jollibee said in a disclosure to PSE that the 48-percent-owned subsidiary had discontinued the operations of the 12 Hotpot brand effective Oct. 31.

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 Nov. 3, 2017

US Dollar	Philippine Peso
1	51.180

PDST-R2 Rates

As of Nov. 3, 2017

Tenor	Rate
1Y	3.0375
3Y	4.1546
5Y	4.7125
7Y	4.9375
10Y	5.1214
20Y	5.4804

Daily Quote

"There is no elevator to success -- you have to take the stairs." --Anonymous

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MORE LOCAL NEWS

Regulators to approve entry of CIMB Group

Malaysia's CIMB Group will be allowed to establish a bank in the Philippines before the end of the year. Highly placed sources told reporters that the universal bank's application to put up a local branch would soon be approved by the Monetary Board.

Energy eyes other options for BNPP

The Energy Department is mulling over other options for the mothballed 620-megawatt Bataan Nuclear Power Plant as a bomb shelter, hotel, library or data center, if repowering the facility is no longer feasible. Energy Secretary Alfonso Cusi said the government had to find "closure" on BNPP which had not operated for over 30 years.

Consumer group sees more joining petition

Consumer group Laban Konsyumer Inc. (LKI) has taken the lead in asking the Energy Regulatory Commission (ERC) to revert the feed-in-tariff allowance (FIT-All) of the state-run National Transmission Corp (TransCo) to its original application in 2016 instead of the May 2017 decision.

Davao Light sets P1.4-B upgrade

Aboitiz-led Davao Light and Power Co. (DLPC) is spending P1.4B to upgrade its network amid the influx of various developments in its franchise area, including Davao City. DLPC has filed an application with the ERC to implement its capital expenditure projects covering four substation projects with a total cost of P184.32M.

PAL expects 2-digit growth in passenger volume

Philippine Airlines (PAL) expects double-digit growth in passenger volume next year from around 15M passengers this year amid growing demand for travel. PAL president and COO Bautista told reporters the flag carrier sees double-digit growth in passenger volume next year given rising demand for both domestic and international travel.

Nestlé PH buys more from local suppliers

Nestlé Philippines has sourced P86.268 billion worth of supplies of goods from the locals in 2016 as the multinational company boosted its sustainability program by including more micro and small Filipino producers into their supply chain.

British American Tobacco quits PH business

British American Tobacco (BAT), one of the world's leading multinational companies, will close its Philippine operations by the end of December this year amid "difficult environment" and after the cigarette-firm's failed attempt to buy into homegrown cigarette manufacturer Mighty Corporation.

BSP issues new rules to combat cyber threats

Amid increasing risks from cyberattacks, the Bangko Sentral ng Pilipinas (BSP) issued stricter rules, among the first of its kind in the Asean, aimed at protecting financial institutions 24/7.

Ayala firm builds motorcycles for Thailand

Ayala-led Integrated Micro-Electronics Inc. (IMI) is breaking into Thailand's motorcycle market by exporting KTM-branded bikes produced by its state-of-the-art Laguna hub before the year's end. Last June, IMI inaugurated a manufacturing facility for European motorcycle giant KTM in its complex in Laguna Technopark.

TODAY'S TOP ASIAN NEWS

Qatar Airways to buy 9.6% stake in Cathay Pacific

Qatar Airways Ltd. agreed to acquire a stake in Cathay Pacific Airways Ltd., a deal that would make it the third-largest shareholder in the premium carrier. The Middle Eastern carrier will buy 9.6 percent of Cathay from Hong Kong-based Kingboard Chemical Holdings Ltd. and its associates for HK\$5.16 billion (\$662 million).

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MORE ASIAN NEWS

Bain Capital bid for seaplane operator in Maldives

Bain Capital LP is in the final stages of bidding for Blackstone Group LP's seaplane operator in the Maldives, the tropical island chain known for its white sand and turquoise waters. The buyout firm is partnering with Chinese conglomerate Tempus Group Co. in its bid for control of Trans Maldivian Airways Pvt, the people said.

Broadcom plans \$100b Qualcomm bid to build chip

Broadcom Ltd. Chief Executive Officer Hock Tan is contemplating an audacious \$100 billion bid for Qualcomm Inc., people familiar with the matter said, using what would be the largest technology takeover to build a powerhouse that dominates the market for wireless chips.

GIC buys 10% stake in OakNorth bank for \$118m

Singaporean sovereign investor GIC will take a 10 percent stake in British specialist bank OakNorth for 90 million pounds (\$118 million), OakNorth said on Friday. The bank, which lends to businesses and property developers, said GIC has signed a deal to buy the stake from Indian conglomerate Indiabulls.

Crackdown on billionaires and officials shakes SAU

Even by the standards of Crown Prince Mohammed bin Salman, the Saturday night crackdown was stunning. In just a few hours, security forces arrested princes, billionaires, ministers and former top officials as soon as King Salman announced a sweeping anti-corruption drive.

Noble to release Q3 results, warned of \$1b loss

Noble Group, which has warned of a loss of US\$1.1 billion to US\$1.25 billion for the third quarter, said on Monday (Nov 6) it will release its those quarterly results on Nov 9. The group said that it will hold an earnings conference call and webcast after market close on Thursday.

TODAY'S TOP GLOBAL NEWS

Bulls bet AUS stocks headed for post crisis peak

Australia, home to one of the worst-performing stock markets anywhere in the developed world this year, is finally poised to leave the financial crisis behind. K2 Asset Management Ltd., whose fund has trounced the market, is betting financial and commodity companies will drive gains for equities Down Under.

Asian stocks start week mixed as Trump visit begins

Asian stocks opened mixed after U.S. equities capped the longest string of weekly gains since 2013 and as traders keep an eye on President Donald Trump's first trip to the region. The yen traded near a one-week low. Japan's stock benchmarks rose as the market returned from a long weekend. Gauges in Sydney and Seoul fluctuated.

Amazon discounts other sellers' products

Amazon.com Inc is cutting prices of products from third-party sellers on its website, moving beyond its more typical method of discounts on items it sells directly. The move allows Amazon to sell the products at lower prices while still giving full price to the sellers.

Irish PM says \$1 bn Apple data center uncertain

A planned \$1 billion Apple data center is in doubt after Irish Prime Minister Leo Varadkar said the U.S. company's Chief Executive Tim Cook would no longer commit to it, adding that Dublin would do whatever necessary to get it built.

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