

# The Daily Dispatch

December 20, 2017  
TODAY'S TOP NEWS

## JPN credit watcher maintains PH investment grade

Japan-based Rating and Investment Information Incorporated (R&I) retained the Philippines' investment grade rating, as its economy is seen to bank solid growth fueled by the government's aggressive infrastructure plan. They affirmed the one notch above the minimum investment grade rating of BBB for the Philippines on a stable outlook.

## Cebu airport operator bags deal for Clark terminal

The group of publicly-traded Megawide Construction Corporation and Bangalore-based GMR Infrastructure Limited bagged its 2nd airport project in the Philippines: the construction of a new terminal building for the Clark International Airport.

## Duterte wants CH backed telco in PH by early 2018

President Rodrigo Duterte wants the government to ensure that China Telecom can begin its Philippine operations by the first quarter of 2018. Presidential Spokesman Harry Roque announced this during a Malacañang press briefing on Tuesday, December 19.

## PAL taps polar route

Flag carrier Philippine Airlines (PAL) flew early this week its nonstop Manila-Toronto flight, the first ever crossing of the polar region by a Filipino air carrier. The Polar route refers to the flight over Canada, Greenland, the Arctic Circle, Russia, Mongolia and parts of China.

## Villar Group expanding retail business

Villar is expanding his retail business with the opening of retail brands All Home, All Day, Coffee Project and Bake my Day in Las Piñas City. Villar said in an interview the company was accelerating the development of retail business not only to take advantage of the growth in the economy but also to enhance the development within its projects.

## Philippine Stock Market Update



Previous Close:	1 Yr Return:
8,365.96	27.66%
Open:	YTD Return:
8,376.32	22.26%
52-Week Range:	Source:
6,499.00 - 8,605.15	Bloomberg

## Foreign Exchange

As of Dec. 19, 2017

US Dollar	Philippine Peso
1	50.340

## PDST-R2 Rates

As of Dec. 19, 2017

Tenor	Rate
1Y	3.2167
3Y	4.7214
5Y	4.7174
7Y	5.3321
10Y	5.8036
20Y	5.9661

## Daily Quote

“If people knew how hard I worked to achieve my mastery, it wouldn't seem so wonderful after all.”

--Michaelangelo

# The Daily Dispatch

## MORE LOCAL NEWS

### Manila Water to operate in Cavite economic zone

Manila Water Co. Inc. said a unit signed a 25-year lease agreement with PEZA to operate and manage the water facilities of Cavite Special Economic Zone. Manila Water said in a disclosure wholly-owned Manila Water Philippine Ventures Inc. would lease, operate and manage the water and used water facilities of Peza in the Cavite Special

### SN Aboitiz Power eyes 500MW in new capacity

SN Aboitiz Power (SNAP) is targeting to add new capacity of 500 MW in the next seven to 10 years, according to its top executive. SNAP President and Chief Executive Officer Joseph Yu told reporters that securing the necessary permits and constructing the power facilities would take the company about 6 to 7 years.

### High rates force BTr to reject bids for T-bonds

The Bureau of the Treasury (BTr) rejected yesterday all bids for reissued five-year Treasury-bonds as traders asked for high rates following the US Federal Reserve's move to hike interest rates. During yesterday's auction, the BTr fully rejected all tenders for reissued T-bonds with remaining life span of four years and one month.

### TRAIN passage fails to lift market mood

The stock market returned to negative territory yesterday as the market closed before President Duterte signed the Tax Reform for Acceleration and Inclusion (TRAIN) package. Shortly after the market closed, Malacañang announced President Duterte already signed the measure into law.

### PPP projects by LGUs to draw investor interest

Public-private partnership (PPP) projects in local government units (LGUs) would be ensured of sufficiency in scale to make it attractive for investors and would focus on vital services to make sure the projects survive changes in administration over long life cycles, the PPP Center said.

## TODAY'S TOP ASIAN NEWS

### Tycoons in \$20B battle to remake Indian steel

Surging steel prices and a new Indian insolvency law have set the stage for an industry-defining battle between tycoons and producers for more than \$26 billion of the sector's most-coveted assets. Creditors are seeking the approval of India's new bankruptcy court to sell assets of as many as 40 firms.

### SEA earns bullish forecasts for 2018 growth

Economists see another solid year for growth in Southeast Asia, with the six main economies largely keeping up the gains from a trade-fueled year in 2017. The Philippines and Vietnam will retain the top spots with growth at 6.6 percent and 6.5 percent.

### STI Financial Group acquires 35% of Global Movers

Hong Kong-based asset manager STI Financial Group (STI), which provides bespoke capital solutions that focus primarily on fragmented middle-market companies in Asia, has acquired a 35 per cent stake in Global Movers Inc (GM). The firm declined to disclose the financial terms of the transaction.

### EQT-backed InCorp buys Ph's Kittelson & Carpo

Private equity firm EQT-backed corporate services provider InCorp Group has acquired Philippines-based Kittelson & Carpo Consulting, a business consulting firm with offices in Taguig, Makati and Cebu Cities. The financial terms of the deal were undisclosed. Kittelson & Carpo assists companies in setting up operations in the Philippines.

### Temasek Holdings invests in Busy Bees

Busy Bees, an international provider of premium quality child care, has secured a strategic investment from Singapore state investor Temasek Holdings. The UK-headquartered firm plans to use the financing to support its expansion to Asia and globally. Financial terms of the investment were not disclosed.

# The Daily Dispatch

## MORE ASIAN NEWS

### Hero Electric promoters invests in delivery app NOW

Hyperlocal delivery app NOW, which is run by TapTap Meals Pvt Ltd, has raised an undisclosed sum from the promoters of Hero Electric. Existing investor Maple Capital Advisor and early investor Vinay Goyal also participated in the latest round. The company has diluted a minority stake in the process.

### Tata Steel seeks to raise \$2b for India expansion

Tata Steel Ltd. plans to raise as much as 128 billion rupees (\$2 billion) in a rights offer to help add capacity in India, where demand for the alloy is forecast to triple in over a decade. The money will be used to build and buy mills as well as to repay debt, the company said in an exchange filing Tuesday.

### BPE Asia raises \$488m for 2nd real estate vehicle

BPE Asia Real Estate (BPE Asia), a unit of Hong Kong-based Baring Private Equity Asia, has raised \$488 million in the closing of the second part of its BPE Asia Real Estate Fund II. The vehicle is expected to achieve a \$750 million target in the first quarter of 2018, PERE News reported.

### Fortune Reit sells Provident Square for HK\$2b

Fortune Reit on Tuesday (Dec 19) evening said it has signed an agreement with an unnamed buyer to dispose of Provident Square in Hong Kong, which comprises of the shopping centre and the sub-basement of the entire residential and commercial development known as Provident Centre.

### Asia stocks mixed as tax vote awaits; yields climb

Asian stocks were mixed on Wednesday after U.S. benchmarks dipped, with investors awaiting the final votes on U.S. tax-cut legislation. Bond yields climbed amid focus on the outlook for increased supply in 2018, with less central bank buying. The S&P 500 Index slipped from a record Tuesday.

## TODAY'S TOP GLOBAL NEWS

### Bitcoin slumps 10% in biggest drop before futures

Lost in the hubbub over the feeding frenzy in cryptocurrencies and related stocks is the original digital coin itself. Bitcoin fell as much as 10 percent to less than \$17,000 on Tuesday, the steepest decline since before futures were first introduced on Dec. 10.

### Party's not over yet for EM's dream rally

Bulls will retain the upper hand in emerging markets in 2018, but some assets could be in for a reality check. Bonds and equities in developing countries will continue to streak ahead, outpacing their developed-nation peers into next year, according to a Bloomberg survey of 20 investors, traders and strategists.

### US regulator suspends trading of bitcoin-linked stock

The United States Securities Exchange Commission (SEC) suspended on Tuesday until Jan 4 the trading of a popular stock related to bitcoin that has soared in recent weeks, citing concerns about market manipulation. Crypto Company's share price had risen 1,700 %, from \$3.30 to \$575 between the end of September and Monday evening.

### Apollo to acquire Qdoba chain in \$305M deal

Apollo Global Management LLC is getting into the Mexican food business. The private equity firm, run by co-founder Leon Black, agreed to buy the struggling Qdoba chain from Jack in the Box Inc. for about \$305 million in cash, Jack in the Box said Tuesday.

## Economic Calendar

Date	Release
12.04.2017	PH: CPI YoY
12.05.2017	PH: Bank Lending YoY
12.06.2017	PH: Foreign Reserves
12.11.2017	PH: Unemployment Rate
12.11.2017	PH: Trade Balance

Source: Bloomberg Economic Calendar