

The Daily Dispatch

Jan. 20, 2017
TODAY'S TOP NEWS

McDonald's PH allocates P3.5B for expansion

STILL upbeat on the domestic consumer market due to the country's burgeoning economic growth, McDonald's Philippines bared on Wednesday its investment of around P3.5 billion for its expansion plan this year.

AC Energy eyes P7.5B RE investment in Indonesia

Last week AC Energy signed investment agreements with UPC Renewables Indonesia Ltd. for the development, construction, and operation of a wind-farm project in Sidrap, South Sulawesi, Indonesia, that will cost \$150M. AC Energy is expected to seal in the very near future another investment deal involving renewable energy.

Globe earmarks \$750 M for 2017 capex

MANILA, Philippines - Globe Telecom Inc. is allotting \$750 million for capital expenditures this year compared to \$1 billion last year, with the bulk intended to support data services, Globe president and CEO Ernest Cu told reporters yesterday. The capex would be funded through internally generated cash flow.

Megaworld sets P30-B bond issue

In a disclosure to the Philippine Stock Exchange yesterday, Megaworld said its board has approved a debt securities program that would have an initial issuance of up to P8 billion worth of fixed-rate bonds with an oversubscription option of as much as P4 billion.

Mindanao WESM to start operations in mid-2017

The energy department is seeking inputs from industry stakeholders as it sets the implementation of an electricity spot market in Mindanao in mid-2017. In a draft circular, the Department of Energy has declared the launch of Wholesale Electricity Spot Market (WESM) in the Mindanao grid on June 26, 2017.

Philippine Stock Market Update



Previous Close:
7,246.08

1 Yr Return:
17.60%

Open:
7,252.44

YTD Return:
5.36%

52-Week Range:
6,084.28 - 8,118.44

Source:
Bloomberg (01/20/17)

Foreign Exchange

As of Jan. 20, 2017

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1 | 49.87 |

PDST-R2 Rates

As of Jan. 20, 2017

| Tenor | Rate |
|-------|--------|
| 1Y | 2.6696 |
| 3Y | 3.3993 |
| 5Y | 4.8446 |
| 7Y | 4.2475 |
| 10Y | 4.3128 |
| 20Y | 5.4196 |

Daily Quote

"I want to start by, as always, thanking my family. My kids, they're not kids anymore, but they're kids as far as I'm concerned. They'll always be my kids."

--Donald J. Trump

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MORE LOCAL NEWS

Revenue growth fastest in real estate sector - PSA

The PSA said Philippine industries saw their revenue grow 6.8% the quarter, accelerating from the 4.2% rise posted in the same quarter of 2015. According to PSA, real estate registered the fastest growth at 21.0% in third quarter, well up on the 7.4% rise a year earlier.

SSS to boost investment in capital markets

THE state-run SSS is looking at increasing its placements on the capital markets to generate more funds and cover the recently approved P1,000 increase in the monthly pension of beneficiaries. SSS President and CEO Emmanuel Dooc said the plan is to have 25 percent ownership in toll roads and real estate companies.

BSP: 1-day check clearing starts today

FASTER check clearing will start today (Friday) as the Check Image Clearing System (CICS), a reform initiated by the central bank, goes online. In a statement on Thursday, the BSP said the Philippine Clearing House Corp. (PCHC) is set to implement the clearing of checks via electronic through the CICS.

DoE declares PHL 'neutral' on power plant tech

DoE Secretary Alfonso G. Cusi told participants of the 15th Ministerial Meeting of the Asian Cooperation Dialogue (ACD) that the Philippines "will be technology neutral as we need all forms of energy resource to fuel our economic growth."

TODAY'S TOP ASIAN NEWS

EV startup future mobility to build \$1.7-B factory

Future Mobility Corp., the electric-car maker that counts former executives at BMW AG and Nissan Motor Co. among its founding shareholders, will spend 11.6 billion yuan (\$1.7 billion) to build a factory in China, moving a step closer to the startup's goal of selling its first model by 2020.

Vietnam Stocks Could Hit a 10-Year High in 2017

Vietnam stock analysts say the benchmark index will jump to a 10-year high this year as a strengthening economy, sales of stakes in state-owned enterprises and growing company listings continue to lure investors to one of Asia's hottest markets.

CH seen posting steady 4Q GDP growth of 6.7%

Boosted by higher government spending and record bank lending, China is expected to report on Friday that its economy grew by a steady 6.7 percent in the fourth quarter, giving it a solid tailwind heading into what is expected to be a turbulent 2017.

Xi, preaching openness abroad, clamps down at home

As Chinese President Xi Jinping preached "openness" and "economic liberalization" to global elites in Davos this week, his government was warning against "false Western ideas" at home.

Get ready for the SE asian infrastructure boom

Manila's Metro Pacific Investments Corp., Indonesia's PT Krakatau Steel and Airports of Thailand Pcl are among the top investor picks as Southeast Asian governments embark on programs to boost roads, rail, ports and power plants.

SCB to distribute Allianz general insurance prod.

German insurer Allianz has teamed up with Standard Chartered Bank for a 15-year bancassurance agreement under which the bank will sell all Allianz's general insurance products, the two banks jointly announced on Thursday.

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MORE ASIAN NEWS

Paramount gets US\$1B deal with CH film companies

Viacom's Paramount Pictures will receive a US\$1 billion cash investment from two Chinese film companies, Shanghai Film Group and Huahua Media, giving the US studio needed cash and stability as it attempts to grow.

TODAY'S TOP GLOBAL NEWS

Over \$100 bn redeemed from hedge funds in 2016

As JPM's equity strategist explains in a note summarizing active manager performance, 2016 was one of the most challenging years for active equity managers with only 32% of fundamental and quantitative funds outperforming their benchmarks. JPM estimates that large cap U.S. fundamental managers underperformed by a median 33 bp before fees.

Yellen says 'makes sense' to raise US rates

With the U.S. economy close to full employment and inflation headed toward the Federal Reserve's 2 per cent goal, it "makes sense" for the US central bank to gradually lift interest rates, Fed Chair Janet Yellen said on Wednesday.

ECB keeps stimulus even as economy picks up

Frankfurt, Germany (AP) -- The head of the European Central Bank has warned there is still little sign of an enduring pick-up in shop prices and workers' wages in the eurozone — a symptom of economic weakness that means the bank will leave its stimulus programs running nearly full blast at least until year-end.

Trump preparing dramatic cuts to gov't spending

According to a report from The Hill this morning, President-elect Trump's transition team is already working with career staff at the White House on plans to slash federal spending. The Hill reports that significant cuts are expected to the budgets of the Department of Commerce, Energy, Transportation, Justice and State, among others, and would

Asian stocks slip, dollar flat as caution reigns

Caution was the name of the game in financial markets on Friday ahead of U.S. President-elect Donald Trump's inauguration later in the day, with Asian stocks and the dollar pulling back and U.S. Treasury yields hovering near their highest close this year.

Markets to slump W/ Trump, EU disintegration

It's tough to be gloomier than billionaire George Soros right now. The investor shared his negative opinions on Trump, China, and the EU Bloomberg Television's Francine Lacqua from the World Economic Forum in Davos.

The business world falls under Trump's thumb

With his carrot-and-stick manhandling of the US business community, President-elect Donald Trump has major companies falling over themselves to offer goodwill gestures and promises to create US jobs.

CIA's role in financial markets exposed

The CIA is under pressure from a lot of individuals and groups that question the agency's relevance in today's world, even Jack Ma dropped the comment at Davos that \$14 Trillion was 'wasted' on wars over the years.

Economic Calendar

| Date | Release |
|------------|------------------------------|
| 01.15.2017 | PH: Overseas Remittances YOY |
| 01.18.2017 | PH: Balance of Payments |
| 01.25.2017 | PH: GDP YoY |
| 01.30.2017 | PH: Bank Lending YoY |
| 02.01.2017 | US: FOMC Rate Decision |

Source: Bloomberg Economic Calendar