

# The Daily Dispatch

Jan. 26, 2017  
TODAY'S TOP NEWS

## TPP 'demise' gives PHL breathing room

The decision of the United States to withdraw from the Trans-Pacific Partnership (TPP) is a boon for Philippine exporters, according to a senior official of the Department of Trade and Industry (DTI).

## Govt revises Q3 GDP growth estimate down to 7%

The Philippines revised downward its economic growth report for the third quarter of last year to 7 percent from an earlier estimate of 7.1 percent for the period, tracing the slight drop to less-than-expected activity in financial intermediation, real estate, renting and agriculture.

## Duterte to switch on Sarangani coal plant Jan. 26

The coal-power plant of the Alcantara group in Maasin, Sarangani, will start commercial operations this week, after President Duterte switches on the first section of the 210-megawatt (MW) plant on Thursday.

## Mining still conducive for investments – MGB

The Philippines remains conducive for mining investments despite the uncertainties in the sector brought about by the industry-wide audit being undertaken by the government.

## PH to remain fastest-growing economy in ASEAN-6

The Philippines is expected to remain the fastest-growing economy in the Association of Southeast Asian Nations 6 (ASEAN-6) this year, thanks to rising infrastructure spending and domestic demand, said economists of Standard Chartered Global Research.

## Philippine Stock Market Update



Previous Close:

7,323.36

1 Yr Return:

18.67%

Open:

7,320.64

YTD Return:

7.59%

52-Week Range:

6,084.28 - 8,118.44

Source:

Bloomberg (01/26/17)

## Foreign Exchange

As of Jan. 26, 2017

US Dollar	Philippine Peso
1	49.68

## PDST-R2 Rates

As of Jan. 26, 2017

Tenor	Rate
1Y	2.6893
3Y	3.3979
5Y	3.9422
7Y	4.1471
10Y	4.9429
20Y	5.3761

## Daily Quote

"If you set your goals ridiculously high and it's a failure, you will fail above everyone else's success."

- James Cameron

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## MORE LOCAL NEWS

### Duterte's 1st PPP's: 5 regional airports

The administration of President Rodrigo Duterte has finally rolled out its first public-private partnership (PPP) venture: the operations, maintenance, and upgrade of 5 unbundled regional airports in Bacolod, Davao, Iloilo, Laguindingan, and Bohol.

### SMC offers cheap power

SMC Global Power Holdings Corp., the energy arm of San Miguel Corp., offered to supply cheap power to the Luzon grid from a unit of its 600-megawatt Limay power plant in Bataan to help ease the tight power supply during the 20-day shutdown of the Malampaya natural gas facility.

### DTI bares 2017 Asean business programs

THE DTI, as chairman of the Asean Economic Ministers (AEM) meeting and the Asean Committee on Business and Investment Promotion (CBIP), announced on Tuesday the year-long programs that will be held to complement the country's strategic priorities and deliverables for the Asean Economic Community (AEC).

### PTT signs deal with CebuPac

Oil company PTT signed a new contract to supply most of Cebu Pacific's jet fuel requirements this year. PTT Philippines president and chief executive Sukanya Seriyothis and Cebu Pacific president and chief executive Lance Gokongwei signed on Tuesday the jet fuel supply contract for 2017 involving 1,680,000 US barrels.

### Banks' RRR may be cut in H1 – StanChart

The central bank may cut its reserve requirement ratio (RRR) for commercial banks in the first half of this year to release more liquidity into the financial system amid a weak peso, global banking and financial services firm Standard Chartered Bank said on Wednesday.

### PH-Australia trade doubled to A\$3.9b in 7 years

Bilateral trade between the Philippines and Australia doubled to A\$3.9-b in 2016 from A\$1.5-b in 2010, the Australian Embassy said. Australian Embassy senior trade commissioner Elodie Journet said Tuesday during the annual reception night at the Ambassador's residence in Forbes Park that trade between the two countries continued

### Proposal exempting BIR from SSL submitted

The Bureau of Internal Revenue (BIR) has submitted to Congress a proposal exempting the bureau from the Salary Standardization Law (SSL). "Through the support of the management committee, we already filed the proposed bill to the Congress...." BIR Deputy Commissioner Jesus Clint Aranas said in a press conference on Tuesday.

### BPO expansion on hold pending clarity on US policy

BPO firms here are putting their expansion plans on hold in the Philippines as they await any US moves towards greater protectionism. While putting a stop on expansion plans normally translates to lower investment pledges, Ms. Plaza said that PEZA doesn't expect the pledges to dip as much as they did in 2016.

### EastWest to offer deposit notes

In a disclosure to the Philippine Stock Exchange on Wednesday, East West said it had obtained approval from the Bangko Sentral ng Pilipinas to issue up to P10 billion in long-term negotiable certificate of deposits (LTNCD).

### Sun Life to close deal for 2nd infra investment

SUN LIFE of Canada (Philippines), Inc. (Sun Life) will formally close the deal for its second infrastructure investment -- in another power plant -- next week, according to one of the firm's officials, with the project priced below P1 billion and situated in Luzon.

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## TODAY'S TOP ASIAN NEWS

### PetroChina, others issue profit warnings

Blue chips PetroChina, China Life Insurance and China Unicom have issued warnings, saying that they expect to post major declines in profit for fiscal 2016. PetroChina, the nation's largest oil and gas producer, estimated that its net profit has dropped by 70 to 80 per cent to between 7.1 billion yuan and 10.7 billion yuan.

### Now could be a good time to buy SG property stocks

Yes, you heard it right -- Singapore's home prices are set to make a comeback after a three-year losing streak. And analysts think property developer stocks are the best way to play that rebound.

### Vietnam turns to neighbors after Trump kills TPP

After years of relying on American consumers, Vietnam is turning to its Asian neighbors after U.S. President Donald Trump dashed hopes for a Pacific trade deal that stood to benefit the export-reliant nation the most.

### US has 1.3b reasons not to pick a fight with CH

U.S. President Donald Trump has repeatedly attacked Xi Jinping on everything from trade to Taiwan to pressure his Chinese counterpart to cede ground. In doing so he risks a backlash that could make doing deals even harder.

## TODAY'S TOP GLOBAL NEWS

### GIC leads \$1.04 bn NYC office tower investment

GIC, Singapore's sovereign wealth fund, and NYSE-listed Paramount Group, Inc. (Paramount) have formed a 95/5 joint venture to acquire 60 Wall Street--the building that serves as the US HQ of Deutsche Bank--for \$1.04 B, or approximately \$640 per square foot.

### Yahoo delays sale of core business to Verizon

Yahoo said Monday, January 23, its \$4.8 billion deal to sell its core internet assets to US telecom titan Verizon has been delayed several months.

### AltaGas Joins Canada's Buying Spree in US

Add AltaGas Ltd. to the list of Canadian companies that can't seem to get enough of America's energy assets. The Calgary power and gas supplier agreed on Wednesday to buy Washington utility owner WGL Holdings Inc. for \$4.6-b, a takeover that will expand its reach in the U.S.

### BoE's Carney sees risks as fintech booms

The fast-growing financial technology sector could hold big "systemic risks" for the banking sector and the broader economy which need to be addressed by bank regulators around the world, Bank of England Governor Mark Carney said on Wednesday.

### Dow Jones breaks 20,000 for first time ever

The Dow Jones smashed the landmark 20,000 barrier for the first time ever this afternoon as optimism about Trump's pro-growth policies boosted financial markets. Resuming a rally that began in the wake of Donald Trump's shock US presidential election win, the index rose by as much as 0.73pc to 20,057.89.

### Economic Calendar

Date	Release
01.30.2017	PH: Bank Lending YoY
01.31.2017	Nikkei Philippines PMI Mfg
02.01.2017	US: FOMC Rate Decision
02.06.2017	PH: CPI Core YoY
02.07.2017	PH: Foreign Reserves

Source: Bloomberg Economic Calendar