

# The Daily Dispatch

February 09, 2017  
TODAY'S TOP NEWS

## Megaworld increases capital expenditures for 2017

Condominium and office developer Megaworld group will spend P60 billion in 2017 to boost developments within its existing integrated township projects and to acquire more properties for future use. This is higher than its capital expenditures for 2016 and 2015, which were both at P55 billion.

## Mining firms use FOI, ask DENR for audit findings

Mining firms are using the Freedom of Information (FOI) measure in a bid to compel the Department of Environment and Natural Resources (DENR) to release the full results of its audit on mining operations.

## Duterte pays price as central bank policy kicks in

The BSP's new monetary policy tool is proving effective - at the government's expense. Deposit auctions introduced by the BSP designed to absorb an influx of funds from OFW's are helping to lift yields on treasury bills and bonds. While the auctions are proving a success, they add to risks of higher borrowing costs for Duterte.

## Manila Water finishes testing WTE project

MANILA Water Company, Inc. has completed testing its first waste-to-energy (WTE) project in Taguig City, which is expected to generate savings for the utility.

## Overhaul land policy to stop 'urban nightmare'

The Department of Finance (DoF) is calling for an overhaul of obsolete land governance policies to prevent Metro Manila's "urban nightmare" from spreading all over the country. "I will be the first to admit our policies regarding land governance are in urgent need for updating," Finance Secretary Carlos Dominguez 3rd said.

## Philippine Stock Market Update



Previous Close:

7,234.82

1 Yr Return:

11.04%

Open:

7,238.45

YTD Return:

5.98%

52-Week Range:

7,231.07 - 7,249.67

Source:

Bloomberg

## Foreign Exchange

		Previous Close
US Dollar	Philippine Peso	
1	49.872	

## PDST-R2 Rates

		Previous Close
Tenor	Rate	
1Y	2.8202	
3Y	3.5179	
5Y	3.8957	
7Y	4.7357	
10Y	4.2468	
20Y	5.4054	

## Daily Quote

"In matters of style, swim with the current; in matters of principle, stand like a rock."

- Thomas Jefferson

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## MORE LOCAL NEWS

### Meralco expects big rate hike

Power consumers can expect a “significant increase” in generation charges this month from an all-time low in January, because of the maintenance shutdown of several plants and higher fuel costs, Manila Electric Co. said Wednesday.

### GIR at \$81.04 B in January

The country’s foreign exchange buffer rose slightly in January due mainly to inflows as well as the revaluation adjustments on the gold holdings of the BSP. BSP officer-in-charge Nestor Espenilla Jr. said the country’s gross international reserves stood at \$81.04B in January, up slightly from the revised \$80.69B in December.

### Globe 2016 core net income hits P16 B

Globe Telecom’s core net income hit a record P16.01B last year, supported by all-time high consolidated revenues. In a press briefing, Globe president and CEO Ernest Cu said core net income which excludes the impact of non-recurring charges, foreign exchange and mark-to-market changes grew six percent from the P15.13B in 2015.

### PLDT expands fiber-powered fixed line

As the battleground for telcos shifts to fixed lines, PLDT is expanding the reach of its fiber-powered fixed line network by 80% to cover 4.4M homes by year-end. “We are stepping up our efforts to deliver unrivalled internet services to more homes in various parts of the country...” PLDT chairman and CEO Manuel Pangilinan said.

### Manila first in region to regulate virtual money

The monetary authorities have put in place a set of rules governing the trade or exchange of so-called virtual coins, making the PH the first in the region formally to adopt such a framework. The BSP said the regulation seeks to welcome technological advancements while proactively address the accompanying risks.

### Phl vulnerable to shift in US outsourcing policy

A shift in US policy under the Trump administration may hit the Philippines’ outsourcing industry, Moody’s said yesterday. In a report, Moody’s said significantly reduced US engagement in global trade under the Trump administration could pose downside risks to the major trade and investment partners of the US.

### Yu group takes control of Pacifica

THE GROUP of businessman Lowell L. Yu sealed the acquisition of a controlling interest in inactive mining exploration company Pacifica, Inc., setting the stage for the potential backdoor listing of a fast-growing restaurant chain.

### Home Credit sees PH clients of 1m

A Prague-based lender expects its client base in the Philippine to reach 1 million in 2017 amid the robust outlook for the Philippine economy that will encourage “unbanked” customers to spend more.

### SteelAsia investing P5.5b in three mills

The SteelAsia Group and other local steel mills are expanding their capacity to support the growing construction and infrastructure sector with a projected combined capacity of over 11 million metric tons by 2025.

## TODAY'S TOP ASIAN NEWS

### Ringgit crackdown saps volatility, deters investors

Malaysia’s crackdown on currency speculators has come at a cost. While it has successfully reduced ringgit volatility, it is threatening to discourage overseas investors. The central bank’s steps to curb trading in offshore nondeliverable forwards last year made it harder for global funds to hedge their exposure to Malaysia.

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## TODAY'S TOP ASIAN NEWS

### HK's frenzied home buyers just can't be stopped

HONG KONG - Sellout crowds are becoming the norm at new property development projects this year as distortions caused by government attempts to cool property prices have nearly halted the supply of older, existing homes for sale. This is now driving demand for new ones offered by developers.

### China has got the Yuan in a sweet spot

China has got the yuan in a sweet spot. The nation's authorities have let the currency rise enough against the USD to put a spanner in Trump's assertion that it deliberately undervalues its exchange rate. At the same time, it has weakened against a trade-weighted basket of currencies, giving China a competitive edge in exports.

### Citic buys Wuhan land for 9.92 billion yuan

Citic Pacific China Holdings, the property unit of the country's largest state-owned conglomerate Citic Ltd, has agreed to pay 9.92 billion yuan (HK\$11.18 billion) to buy a piece of land in the Hubei provincial capital of Wuhan, returning to building apartments a year after disposing of its residential property portfolio to a rival.

### EDBI and B Capital co-lead \$25m round in CXA

CXA Group, a rapidly growing Singapore-headquartered health technology startup, has secured close to \$25 million Series B investment round, co-led by B Capital Group and Singapore-based EDBI to support its offerings related to employee benefits and workplace well-being.

## TODAY'S TOP GLOBAL NEWS

### British MPs approve bill to start Brexit

British MPs overwhelmingly backed a bill on Wednesday empowering Prime Minister Theresa May to start negotiations on leaving the European Union, bringing Brexit a significant step closer.

### Shipping firm alarmed by Trump trade war talk

A.P. Moller-Maersk A/S, the owner of the world's biggest container shipping line, is paying particular attention to noises coming from the US that suggest the new administration is moving closer to a trade war with China.

### Trump blasts retailer Nordstrom

President Donald Trump blasted department store chain Nordstrom Inc (JWN.N) on Wednesday for dropping his daughter Ivanka's clothing line, prompting critics to accuse him of misusing public office to benefit his family's sprawling business empire.

### Oil Market Still Not Balanced After OPEC Cuts

You cannot artificially prop up a market without major market ramifications down the line to be addressed. Either OPEC Needs to cut further, or Shale Production needs to go down significantly for the oil market to actually rebalance as everyone would like in the business.

### Jose Cuervo Raises \$790-M in Mexico IPO

Jose Cuervo sold about \$790 million of shares in Mexico's biggest equity offering in more than three years, according to people with knowledge of the matter. Shares of the world's biggest tequila maker sold for 34 pesos each, the high end of the projected range, said the people, who asked not to be identified.

### Economic Calendar

Date	Release
02.07.2017	PH: Foreign Reserves
02.09.2017	PH: Ex-Im Trade Balance
02.15.2017	PH: Overseas Remittance
02.27.2017	PH: Bank Lending YoY
02.28.2017	PH: Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar