

The Daily Dispatch

Feb. 7, 2017
TODAY'S TOP NEWS

Privatization of Agus-Pulangi plants mulled over

The power sector is weighing options on how best to proceed with the privatization of the hydroelectric power plants that are part of the 728MW Agus and 255MW Pulangi power-plant complexes. Our mandate is to dispose in 3 years all of the remaining assets, including the Agus-Pulangi plants.

PSEi seen to hit 8,100 this year

The PSEi is seen hitting as high as 8,100 within the year as investors remain generally optimistic despite global uncertainties, COL Financial said. "Although PSEi is caught in a large range, a chance to rebound to 7,700 or 8,100 within the year stays open," said Juanis Barredo, chief technical analyst at COL.

Concepcion port rehabilitation ready for bidding

Bidding will soon be opened for the \$5.5-million Northern Iloilo Fishery Rehabilitation and Development Project, located in Concepcion town in Iloilo province, following the green light for funding from the Korea International Cooperation Agency (KOICA).

PNB to redeem P3.5 billion debt ahead of maturity

PHILIPPINE National Bank (PNB) is set to buy back P3.5 billion worth of unsecured debt ahead of maturity, after it secured regulatory approval to redeem the notes halfway through the borrowing term.

Mining firms say Lopez creating bigger problem

Mining stakeholders continue to hit on DENR Secretary Gina Lopez, saying she is creating an even bigger problem for the industry resulting in the stalling of economic growth momentum under the Duterte administration. The DENR has ordered the closure of 23 mining firms and the suspension of five others for breaching standards.

Philippine Stock Market Update



Previous Close:

7,294.40

1 Yr Return:

9.12%

Open:

7,283.85

YTD Return:

5.99%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg (02/07/17)

Foreign Exchange

US Dollar	Philippine Peso
1	49.63

PDST-R2 Rates

As of Feb. 7, 2017

Tenor	Rate
1Y	2.3005
3Y	3.4458
5Y	4.1429
7Y	4.7554
10Y	4.2508
20Y	5.4179

Daily Quote

"A year from now you may wish you had started today."

--Karen Lamb

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MORE LOCAL NEWS

Biz groups urge lift of foreign eq restrictions

Constitutional amendments that will lift foreign equity restrictions topped the list of priority economic legislative reform measures PH business groups want approved during the 17th Congress. Business organizations expressed support for 12 reform measures which they see as essential in bolstering the PH investment climate.

Gatchalian wants level playing field in RE sector

“The interest of the public... should remain the government’s primordial concern. The government should grab this opportunity to level the playing field and encourage new RE players, both local and foreign, to enter the game. Efforts should be made to make power cheaper, rather than making it more expensive...” Gatchalian said.

2-tier cigarette tax bid shelved

Review the Sin Tax Reform Law first before tackling the proposal to revert to a two-tier excise tax system for cigarettes. This was the Senate leadership’s order to its ways and means committee, chaired by Sen. Sonny Angara, even as the Lower House already transmitted the bill seeking to reverse the shift to a unitary excise tax rate.

BIR targets P1 T revenue collection

The BIR wants to breach the P1T mark in revenue collection from the country’s largest corporate taxpayers this year through the implementation of tax administration reforms. The BIR said it's targeting to collect P1.105T from 2,320 large corporate taxpayers or about 60% of the bureau’s total collection goal of P1.829T this year.

SMC expands presence in Australian wine industry

The packaging unit of San Miguel Corporation (SMC) further expanded its presence in Australia with the acquisition of Portavin Holdings Proprietary Limited, the leading independent wine services supplier in the land down under.

LRT operator to start Cavite extension in late Feb

The operator of Light Rail Transit Line 1 (LRT1), Southeast Asia's first rail transport line, will break ground on the project to extend it from Baclaran to Cavite by late Feb. this year. LRMC took over the operations, maintenance, and extension of LRT1 last Sept. 2015, after bagging the P64.9-billion LRT1 Cavite Extension deal.

TransCo owes P4b to renewable plants

The total unpaid obligations of National Transmission Corp. to renewable energy developers under the feed-in tariff regime have reached over P4 billion, an official said Monday.

Audiowav hopes to conduct P2.67-B IPO this month

INFORMATION technology firm Audiowav Media Inc. is pushing to complete its initial public offering (IPO) within this month to be able to immediately deploy capital for its planned expansion in Southeast Asia.

Middle-income condo launches to slow this year

A slowdown in middle-income condo launches is happening this year, lessening the risk of a property bubble, real estate services firm Prime Philippines said. In an email to The Manila Times, Prime Philippines Managing Director Jet Yu noted condominium development projects in Metro Manila will decelerate this year.

TODAY’S TOP ASIAN NEWS

IDN growth up in 2016 but Q4 figures disappoint

Indonesia's efforts to reboot its economy were dealt a blow as official data showed growth ticking up in 2016 but undershooting expectations for the final quarter. The Widodo administration has pledged to boost economic expansion to 7% but his government has struggled to lift growth rates.

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MORE ASIAN NEWS

MYS' Ringgit crackdown spooks overseas investors

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

As CH doors open, some investors worry about exit

China's doors to foreign investors may be opening ever wider, but that's not enough for many worried about finding an exit. Fourteen months after qualifying for official reserve-currency status, and after a series of steps opening up domestic markets to overseas funds, the take-up remains below estimates.

CH investment in US, Europe set to slow in 2017

Combined Chinese direct investment in the advanced economies of North America and Europe more than doubled in 2016 to a new record of US\$94.2 billion. But a tightening of capital controls in both China and several host nations means the outlook for this year is more uncertain, analysts warned.

Citra bullish, eyes more toll road projects in PH

Citra Group of Indonesia said Monday it plans to expand its toll road assets in the Philippines and Indonesia. CMNP shareholders in December approved the issuance of \$3.8 billion worth of shares and convertible notes to fulfill the equity commitments for its project in the cities of Jakarta, Bogor, Bandung and Surabaya.

ICBC overtakes Fargo as most valuable bank brand

The Industrial and Commercial Bank of China has for the first time surpassed Wells Fargo to become the world's most valuable banking brand, helping China itself become the No 1 country in terms of aggregate banking industry brand valuation, an industry report said.

TODAY'S TOP GLOBAL NEWS

Trump's bank deregulation sowing seeds of crisis

The European Central Bank rejected US accusations of currency manipulation on Monday and warned that deregulating the banking industry, now being openly discussed in Washington, could sow the seeds of the next financial crisis.

GS economists are starting to worry about Trump

Weeks ago, Wall Street analysts were busy boosting their economic forecasts on the expectation that President Trump would implement sweeping corporate-tax reform and new fiscal stimulus. Two weeks into his term and the Trump has been focused primarily on immigration and trade, causing a reevaluation among analysts at some banks.

Debt-pocalypse Beckons

When debt grows much faster than GDP for an extended period of time, it is inevitable that a good portion of that debt will start to go bad at some point. We witnessed a perfect example of this in 2008, and now it is starting to happen again.

Largest Retail FX Broker FXCM Banned By CFTC

The CFTC on Monday fined Forex Capital Markets, parent FXCM Holdings LLC and founding partners Dror Niv and William Ahdout to pay \$7 million to settle charges it defrauded retail foreign exchange customers and engaging in false and misleading solicitations.

Economic Calendar

Date	Release
02.06.2017	PH: CPI Core YoY
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