

The Daily Dispatch

March 29, 2017
TODAY'S TOP NEWS

China Bank arranges P4B loan for CebuPac

China Banking Corp. is now one of the biggest local players in aviation financing after arranging a P4B loan facility for Cebu Air Inc. to bankroll its fleet expansion program. China Bank Capital Corp. was appointed by Cebu Pacific to be the lead arranger and bookrunner for the peso-denominated secured term loan facility.

BDO, Shinkin Central Bank form partnership

BDO Unibank Inc. has tied up with Shinkin Central Bank (SCB) to develop a business cooperation to help SME clients of Japanese banks operating in the Philippines. SCB managing director Hiroshi Sudo said the partnership with BDO would be beneficial and further strengthen the economic ties between the Philippines and Japan.

Drilling in Galoc Oil Field to start end-March

Nido Petroleum Limited expects to drill a new well at the Galoc Oil Field offshore Palawan by end-March which could extend the life of the oil field. Nido, the operator of the oil field, said the drillship "Deepsea Metro I" is now being mobilized from Labuan, Malaysia to the Galoc-7/7ST well location in Palawan.

Megaworld lists P12B debt in PDEX

Property developer Megaworld Corp. on Tuesday listed its P12B Series B fixed-rate bonds at the Philippine Dealing and Exchange Corp. (PDEX). The seven-year fixed-rate Series B bonds due 2024 is a larger issue and longer tenor than its maiden issue of P5B, five-year bonds eight years ago.

Tetangco rules out rate hike for rest of the year

BSP Governor Tetangco said inflation rates will move closer to the upper target band of the 2-4% range in the third quarter before easing to previous lows. Tetangco reiterated that there is no need to adjust policy rates for the whole of the year on the back of a manageable, albeit rising, inflation average.

Philippine Stock Market Update



Previous Close:

7,331.46

1 Yr Return:

2.79%

Open:

7,320.09

YTD Return:

7.45%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of March 28, 2017

US Dollar	Philippine Peso
1	50.137

PDST-R2 Rates

As of March 28, 2017

Tenor	Rate
1Y	2.6745
3Y	4.0237
5Y	4.2718
7Y	5.3304
10Y	5.4339
20Y	5.7196

Daily Quote

"Fear is finite, hope is infinite. We are afraid of failing, but it doesn't stop us from trying."

-Elon Musk

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MORE LOCAL NEWS

AGI eyes \$500M from bond issue

Alliance Global Group Inc.(AGI) is looking to raise \$500M from the issuance of dollar-denominated bonds later this year, a company official said. AGI president and CEO Kingson Sian said the company was planning another round of fundraising to cover maturing debt.

Xurpas' net income up 33% for 2016

Listed mobile technology firm Xurpas Incorporated ended 2016 as its strongest year ever, riding on a surge of consumer and business interest in digital technology. In a disclosure to the PSE on Tuesday, Xurpas reported a full year 2016 net income of P304.9 million, a gain of 33% compared to the P229.6 million it recorded in 2015.

SMC plans two Cordillera dams

Strategic Power Development Corp., controlled by conglomerate San Miguel Corp., plans to build two hydroelectric power projects in Apayao province in the Cordillera Administrative Region with a combined output of 310 megawatts.

Wilcon P7B IPO at P5.05 oversubscribed

Soo-to-be listed Wilcon Depot Inc. said its P7b IPO has been oversubscribed 3.7 times due to strong demand. Wilcon is the first IPO for 2017. The company offered 1.393 million shares at P5.05 each from March 17 to 24. The shares will be listed on the Philippine Stock Exchange on March 31 under the ticker symbol WLCON.

\$45B economic hub planned for Clark Freeport Zone

The head of a 177-hectare mixed use estate in the Clark Freeport Zone said his company will pour \$45-billion into the development of a world-class economic hub in the former US military base.

Walter Mart, AboitizPower ink power supply deal

Walter Mart signed up for 4.7-megawatt (MW) electricity supply contract with AboitizPower to support the planned expansion of its chain of community malls in the provinces. Within the next five years, the company wants to double the number of its community shopping centers and supermarkets from the current total of 23.

Avida ramps up South Luzon presence

Ayala Land, Inc.'s (ALI) mid-range housing unit is looking to generate P3.6 billion in sales from projects in South Luzon this year, including Avida Settings Lipa, citing high demand for mid-scale housing in the area.

New PSE chief

Incoming PSE president and chief executive officer, Ramon Monzon, is set to take over the helm of the local bourse by April 1, around a month before the PSE's annual stockholders meeting. Monzon has been an incumbent independent director at the PSE since 2015 and only needs to be reelected for a board seat.

TODAY'S TOP ASIAN NEWS

China stocks have best start to year since 2006

What a difference a quarter makes. The MSCI China Index's 14 percent jump this year is its strongest start since 2006, and one of its best performances versus world equities since the global financial crisis. Traders are now willing to pay the most in six years for the gauge as the yuan stabilizes and concerns ease over global trade.

High risk investments make a comeback in Japan

Yield-starved Japanese investors are taking out the cash stashed under the futon and plowing it into potentially risky securities. Faced with domestic bond yields below zero and a rally in global equities, Japanese retail investors drove sales of bonds tied to the Nikkei 225 Stock Average to the highest in at least three years.

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MORE ASIAN NEWS

Saudi Aramco valuation could top \$1T after tax cut

Saudi Aramco could have a market value of more than \$1 trillion in an initial public offering after the government slashed the oil producer's tax burden to attract investors, analysts said. The tax cut will increase Aramco's after-tax income by 300 percent, allowing for higher cash returns to shareholders.

Chinese internet giant buys 5% in Tesla for \$1.8b

Chinese internet giant Tencent Holdings has thrust itself onto the front lines of building the car of the future, with its acquisition of a 5 per cent stake in US electric carmaker Tesla for US\$1.8 billion.

Rising bad debts in CH a boon for some investors

China Huarong Asset Management Co., the nation's largest bad bank by assets, expects cash returns of above 20 per cent from distressed debt sales in this non-performing loan disposal cycle versus about 17 per cent in the last clean-up a decade ago.

TODAY'S TOP GLOBAL NEWS

Sterling drops as May begins Brexit process

Sterling fell in early Asian trading as investors brace for the start of the two-year negotiation for the U.K. to leave the European Union. The pound fell as much as 0.6 percent to 1.2377 per dollar, and was the worst performer among the Group-of-10 peers which saw muted trading.

BlackRock cuts jobs and fees in stock picking unit

BlackRock Inc., the world's largest asset manager, is shaking up its struggling stock-picking unit by cutting jobs, reorganizing funds and lowering fees. Chief Executive Officer Laurence D. Fink, who has re-jigged BlackRock's active-equity business before, and his rivals face mounting pressure from investors over fees.

Repeal of Affordable Care Act Is Back on Agenda

Under pressure from conservative activists, House Republican leaders and the White House say they have restarted negotiations. But efforts to revive the legislation in the House could take weeks, lawmakers conceded, as Congress moves forward with a full plate of other time-consuming issues.

Wells Fargo reaches \$110M fake accounts settlement

Wells Fargo & Co. reached a \$110 million settlement with customers nationwide over claims its employees set up fraudulent accounts to boost their own pay, a deal that moves the bank another step toward closing the books on last year's scandal.

American consumer confidence at 16-year high

US consumer confidence surged to a more than 16-year high in March amid growing labour market optimism while the goods trade deficit narrowed sharply in February, indicating the economy was regaining momentum after faltering at the start of the year.

CH internet giant Tencent buys 5pc stake in Tesla

CH internet giant Tencent has thrust itself onto the front lines of building the car of the future, with its acquisition of a 5 per cent stake in US electric carmaker Tesla for US\$1.8 billion. Tencent had accumulated about 8.2 million shares of Tesla from the California-based company's registered offering and through open market purchases.

Economic Calendar

Date	Release
03.20.2017	PH: BoP Overall
03.23.2017	PH: BSP Overnight Borrowing Rate
03.30.2017	US: GDP Annualized QoQ
03.31.2017	PH: Money Supply M3 SRF YoY
03.31.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar