

The Daily Dispatch

May 08, 2017
TODAY'S TOP NEWS

Gov't to sell Pagcor casinos

The government will sell the casinos of state-run Philippine Amusement and Gaming Corp. (Pagcor) before yearend in line with moves for the state-run firm to stick to its regulatory mandate and let go of commercial functions, Finance Secretary Carlos G. Dominguez III said.

PSE to introduce hedging mechanisms

The new Philippine Stock Exchange chief plans to introduce new hedging mechanisms to the stock market and contribute to efforts to create real estate investment trusts (REITs) as part of efforts to deepen the local capital market.

Italpinas diversifies property portfolio

Boutique property developer Italpinas Development Corp. (IDC) is bracing for a bigger role in the Philippine property scene by diversifying into “micro-township” estates development, subdivision or horizontal housing and building commercial property assets.

MPIC wants to buy Air21 to boost logistics unit

Infrastructure holding firm Metro Pacific Investments Corp. (MPIC) is interested to acquire 38-year-old logistics firm Air21, founded by businessman and former Customs Commissioner Alberto Lina, as part of its bid to be a major player in the logistics arena.

Investors betting big on gambling

Local and foreign investors are betting big on gambling – from building sprawling integrated casino resorts to scrambling for small-time lottery licenses – despite President Duterte's crackdown on online gaming. Duterte's pivot to China has paved the way for more mainland Chinese players visiting the country.

Philippine Stock Market Update



Previous Close:

7,841.99

1 Yr Return:

15.12%

Open:

7,849.89

YTD Return:

15.68%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 5, 2017

US Dollar	Philippine Peso
1	49.947

PDST-R2 Rates

As of May 5, 2017

Tenor	Rate
1Y	2.8351
3Y	3.9507
5Y	4.2387
7Y	4.9911
10Y	5.0350
20Y	5.1472

Daily Quote

"It is amazing what you can accomplish if you do not care who gets the credit."

--Harry S. Truman

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MORE LOCAL NEWS

Semirara spending \$190M to rehabilitate plants

Semirara Mining and Power Corp. is spending up to \$190M to rehabilitate its old plants in Calaca, Batangas, which will not only raise the plants' capacity, but also lessen emissions. Semirara chairman and CEO Isidro Consunji said the rehabilitation plan for the 2x300MW Sem-Calaca Power Corp. would cost "\$160-\$190M, more or less."

Sale rumors pushing up RCBC share price

The share price of Rizal Commercial Banking Corp. (RCBC) has been steadily climbing for three weeks now on speculation the bank may finally be put on the auction block following the demise of its founding chairman, banking taipan and former ambassador Alfonso Yuchengco on April 15.

Customs tightens watch in smuggling hotspots

The BOC wants to tighten monitoring of goods in areas believed to be hotspots for smugglers. A BOC official has recommended the permanent deployment of its personnel to areas with confirmed presence of smuggled goods to detect and deter illicit activities which have deprived the government of billions of pesos in revenue.

New PSE president to focus on PDS merger

The Philippine Stock Exchange's (PSE) newly elected president Ramon S. Monzon will initially focus on the reduction of stockbrokers' stake in the bourse as part of regulatory requirements for it to merge with the Philippine Dealing System (PDS).

BOI okays Consunji's P1.34B power plant

Consunji-owned Southwest Luzon Power Generation Corp. was recently approved by the Board of Investments (BOI) as eligible for tax incentives for its P1.34-billion gas turbine power plant in Calaca, Batangas. Southwest already operates a 300 MW base load coal plant in the same area in Batangas.

DOTr won't auction off Clark airport rehab

The Department of Transportation (DOTr) canceled a plan to bid out the rehabilitation of Clark International Airport, in order to avoid disputes between potential investors that could stall the development of the next major international gateway in the Philippines.

CH pushes economic diplomacy amid warm PH ties

At a time when China is being treated more as an ally rather than a rival by the Philippine government, the East Asian powerhouse has a message for its much smaller Southeast Asian neighbor: let's boost trade. Philippine President Rodrigo Duterte is heading to China this month – his second trip there in less than a year.

SM Prime to open 10 malls next year

Property developer SM Prime Holdings Inc. plans to open 10 shopping malls next year, in line with the company's plan to have 75 outlets by 2018. SM Prime said in a registration statement pertaining to its P20-billion bond offering that it would open 10 malls next year, including SM Paurido in Pangasinan, SM Ormoc, etc.

PH AirAsia pursuing 2017 listing plan

While Asia's biggest budget carrier AirAsia Group is eyeing an IPO next year as an Asean stock, its Philippine unit is pursuing a listing this year to finance its fleet expansion. Once the funds are available from the IPO, "it would be easy for me to lease," said Captain Dexter Comendador, Philippines AirAsia president and CEO.

TransCo seeks board seat in NGCP

State-run TransCo, owner of the country's power transmission assets, wants a seat on the board of grid operator NGCP. "In two years' time, they have to go for an IPO. That is what the EPIRA law is saying. In that IPO we can participate so we can claim shares," TransCo President and CEO Melvin A. Matibag said.

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TODAY'S TOP ASIAN NEWS

ADB takes stock as US policy shifts

Accelerating growth in Southeast and South Asia can help make up for slowing momentum in China but it requires smart investments in infrastructure and technology, the president of the Asian Development Bank said Saturday as the regional lender started a meeting of its board of governors.

Greentown agrees to sell two subs for 3.47bn yuan

Hangzhou-based developer Greentown China Holdings, the country's ninth largest developer in terms of sales, has agreed to sell two wholly owned subsidiaries to China Investment for a combined 3.47 billion yuan (US\$503 million), according to a Hong Kong stock exchange filing on Sunday.

China's migrant workforce is aging

A typical Chinese migrant worker is now less likely to be a teenager trekking across the country for a factory job in a southern boom town. Instead, as China's economy matures, its migrant worker force is also aging, staying closer to home, and increasingly working in stores and restaurants rather than on assembly lines.

China's deleveraging bill tops \$500 billion

How much pain can Chinese leaders stomach? It's becoming a key question for investors as the government's stepped up campaign to rein in financial leverage ripples through markets. The clampdown has erased at least \$453 billion from the value of Chinese stocks and bonds since mid-April and spurred \$21 billion of canceled debt sales.

Asean+3 to create infra bond markets

Members of the Association of Southeast Asian Nations, plus Japan, China and South Korea (Asean+3) are looking into ways of developing a local currency bond market that would use the countries' "large pool" of savings to help finance the infrastructure requirements in the region.

TODAY'S TOP GLOBAL NEWS

Macron's mammoth task

The rising tide of anti-euro polemic and populism might have been held at bay in France this time, but Europe's existential crisis of national identity versus increasingly centralised Brussels power-building is still bubbling over. The euro is not out of the woods by a long stretch of the imagination.

Hedge funds flee oil market just in time

Hedge funds jumped out of the oil market just in time. Before West Texas Intermediate crude nosedived on Thursday, wiping out the rally driven by OPEC's deal, money managers slashed bets on rising prices by 20 percent, according to U.S. Commodity Futures Trading Commission data.

Comcast and Charter to announce wireless partnership

Comcast Corp and Charter Communications will announce a wireless partnership as soon as Monday, according to a source. The deal will bar either company from entering into a material transaction for a year without the other company's consent, which would prevent Charter from immediately tying up with Verizon Communications Inc.

Paul Singer's flagship fund raises \$5B in 24 Hours

Paul Singer raised \$5 bn in about 24 hours for his hedge fund, making it the firm's biggest capital gathering ever. Elliott Management wants cash on hand to take advantage of a large opportunity that could arise "when investor confidence is impaired, recent correlations and assumptions don't work, and prices are changing rapidly..."

Economic Calendar

Date	Release
05.01.2017	PH: Nikkei Philippines PMI Manufacturing
05.04.2017	PH: CPI YoY
05.04.2017	PH: Foreign Reserves
05.10.2017	PH: Trade Balance
05.14.2017	PH: Overseas Remittances

Source: Bloomberg Economic Calendar