

# The Daily Dispatch

May 10, 2017  
TODAY'S TOP NEWS

## Espenilla: continuity in policy, push for reforms

Incoming Bangko Sentral ng Pilipinas governor Nestor Espenilla Jr. said being appointed head of the country's central bank is a dream come true, as he vowed continuity in monetary policy management and the pursuit of major reforms in the banking sector.

## Mighty slapped with new tax evasion charge

As Mighty Corp. executives led by owner Alexander Wongchuking face preliminary investigation in the earlier P9.56B tax evasion charges, they were slapped anew with a new tax evasion case involving P26.93B in allegedly unpaid excise tax. This is the biggest tax evasion case filed by the BIR so far in its Run After Tax Evaders program.

## First Gen open to 30% stake in planned LNG terminal

First Gen Corp. is open to acquiring at least a 30% stake in the government planned LNG terminal to support the country's natural gas requirements moving forward. The company is in favor of the development of a LNG terminal because it is crucial in addressing the depletion risk of the Malampaya project by 2024.

## Metro Retail eyes 7 additional stores

Gaisano-led Metro Retail Stores Group Inc.(MRSGI) is spending P10B for the construction of seven new stores this year in line with its goal to double its gross floor area (GFA) by 2020. In a disclosure to the PSE yesterday, MRSGI said it plans to expand its total GFA portfolio to 800, 000 square meters in four years.

## Abacus unveils online trading platform

Abacus Securities Corporation is entering the local online trading segment with the launched of its newest trading platform MyTradePhilippines. "We offer something that the other companies do not," said Abacus Vice President for Research Raymond Neil S. Franco who heads the operations of the newest player in the market.

## Philippine Stock Market Update



Previous Close:

7,923.50

1 Yr Return:

12.54%

Open:

7,915.06

YTD Return:

15.88%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

## Foreign Exchange

As of May 9, 2017

US Dollar	Philippine Peso
1	49.951

## PDST-R2 Rates

As of May 9, 2017

Tenor	Rate
1Y	2.8692
3Y	3.9573
5Y	4.2711
7Y	4.9904
10Y	5.1011
20Y	5.2547

## Daily Quote

"What is harder than rock, or softer than water? Yet soft water hollows out hard rock. Persevere."

-Ovid

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## MORE LOCAL NEWS

### BOI approves P391M coco project in Davao

The Board of Investment has given the nod to Ahya Coco Organic Food Manufacturing Corporation's P391 million coconut processing plant in Barangay Gumalang, Baguio district, Davao City. The project falls under the production and manufacture of export products category of the current Investment Priorities Plan (IPP).

### DoF cites risks for tax plan without revenue measures

The DoF said the tax reform program would be "fiscally unsustainable" for the government if Congress only passed the proposed cuts in personal income tax rates without the revenue-enhancing components.

### Monzon to focus on PDS merger, broker ownership

Ramon Monzon, the new president of the Philippine Stock Exchange, will focus on complying with the rules of the Securities and Exchange Commission and finally merging the stock exchange with the bond market. The PSE announced that the 67-year-old Monzon replaced Hans Sicat as president at its annual stockholders' meeting.

### Philippine bankers cheer Espenilla's appointment

Philippine bankers, economists, and business executives on Tuesday, May 9, hailed the decision of President Rodrigo Duterte to name Bangko Sentral ng Pilipinas Deputy Governor Nestor Espenilla Jr as the next central bank governor. On July 2, BSP Governor Amando Tetangco Jr will step down after serving a maximum of two terms.

### Port volume growth slows amid mining turmoil

THE VOLUME of cargo passing through the country's ports grew 4.15% year on year in the first quarter, the Philippine Ports Authority (PPA) reported, mainly due to increasing trade and the growing economy but tempered by the mining industry crackdown.

### MART hopes to secure SRO status within 2017

THE Money Market Association of the Philippines (MART) is hoping to secure the Securities and Exchange Commission's (SEC) approval of its self-regulatory organization (SRO) status within the year.

## TODAY'S TOP ASIAN NEWS

### China's \$9T bond market lures Neuberger, Fidelity

A bond slump in China hasn't damped top global funds' interest in the \$9 trillion market as the government opens the door to greater access. Neuberger Berman Group LLC is considering launching a private fund with a focus on bonds after Fidelity International became the first global asset management firm to do so in China last week.

### Hyundai Heavy's \$11B breakup paves way for deals

The world's second-largest shipbuilder has split itself into four companies, a move that would facilitate a potential sale of some of the businesses. Hyundai Heavy Industries Co. started trading as four entities Wednesday as the conglomerate tries to insulate the group from a financial crisis at any one of its divisions.

### SoftBank unit invested \$2B in Didi's funding round

SoftBank Group Capital Ltd., an investment arm of Masayoshi Son's technology empire, contributed \$2 billion to last month's record fundraising by Chinese ride-hailing giant Didi Chuxing. SBGC invested the money in Xiaoju Kuaizhi Inc., the formal name for Didi, according to a filing with the U.K.'s Companies House.

### China's factory to world catches a break

In 2016, China's exporters mulled what then seemed unthinkable: price increases for the first time in years. The risk was that such hikes from the world's biggest exporter would reverberate across the globe, helping reflate the world economy but also potentially introducing inflationary pressures to a fragile global recovery.

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## MORE ASIAN NEWS

### Young workers herald rise of Southeast Asia

After decades of living under the shadow of neighbors in the North, Southeast Asia is taking over as the region's growth leader. Expansion in the Asean-5 -- Indonesia, Malaysia, the Philippines, Thailand and Vietnam -- will exceed 5% through 2022, while growth in North Asia will average just 3%, according to the IMF.

### More incentives to spur health insurance sector

Rolled out on a trial basis in 31 mainland cities from July 1 taxpayers across the mainland will be able to deduct up to 2,400 yuan (US\$348) annually, or 200 yuan monthly, from their taxable income if they choose to pay for the so called designated "tax-preferential health insurance products".

### Malaysia woos Wanda to rescue Bandar Malaysia

Malaysia is trying to rope in China's Dalian Wanda Group Co to develop a \$1.7 bn Kuala Lumpur property project, barely a week after it dumped its original partners in disputed circumstances.

### IFC may invest in Bajaj Fin. via NCDs

IFC--the private lending bank of World Bank--has proposed to invest up to \$150 mn in NBFC Bajaj Finance. It will subscribe to non-convertible dbentures issued by Bajaj Finance for on-lending to micro small and medium enterprise.

### IMF: Macron victory is 'good news' for Asia

Emmanuel Macron's victory in the French presidential election is "good news" for trade-reliant Asia as it eases fears of rising protectionism in Europe, the IMF said. IMF's Changyong Ree said Macron's win over far-right candidate Marine Le Pen, an economic nationalist, had made him more optimistic that major trade tensions would ease.

## TODAY'S TOP GLOBAL NEWS

### Dutch open largest offshore wind farm

Dutch officials on Monday opened what is being billed as one of the world's largest offshore wind farms, with 150 turbines spinning in action far out in the North Sea. Over the next 15 years, the Gemini wind park, which lies some 85 kilometers off the northern coast of The Netherlands, will meet the energy needs of about 1.5 million people.

### Shale drillers are outspending the world

U.S. shale explorers are boosting drilling budgets 10 times faster than the rest of the world to harvest fields that register fat profits even with the recent drop in oil prices. Flush with cash from a short-lived OPEC-led crude rally, North American drillers plan to lift their 2017 outlays by 32 percent to \$84 billion.

### AUS embarks on nation building as doubts linger

Australia's government is pressing ahead with a nation-building program, picking up the stimulus baton from a central bank low on policy ammunition. But it's simultaneously sticking to a 2021 surplus projection that involves heroic assumptions on wage growth.

### US will aggressively enforce trade rules—official

The Trump administration will enforce trade rules more aggressively than any previous government in its efforts to reduce the trade deficit, but does not seek a dispute, Commerce Secretary Wilbur Ross said Tuesday.

## 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