

The Daily Dispatch

May 17, 2017
TODAY'S TOP NEWS

DMCI bags P9.5B construction deals

DMCI has bagged P9.5BN worth of projects in the first quarter of the year, bringing its year-to-date order book to over P27BN. The company expects growth this year to be modest but hinted this could change if the Duterte administration's plan to usher in the so-called golden age of infrastructure would finally be implemented.

BTr makes full award of P15B 20-year bonds

The Bureau of the Treasury (BTr) awarded in full the fresh 20-year Treasury-bond it issued yesterday amid healthy demand from market participants. The 20-year bond issuance fetched a coupon rate of 5.25%, 73.8 bps higher than the 4.512% average rate during the last auction for papers with the same tenor in October 2013.

Petron sees income doubling to P20B

Petron Corp. expects to close the year with at least P20B in earnings, double of what was registered in 2016. He said the figure is the minimum amount attainable this year if crude oil prices remain stable. This as the company's Bataan refinery produces more high-margin fuels and petrochemicals with lower costs.

'Windfall' China trip brings more jobs, loans

President Duterte yesterday reported "windfall" benefits from his trip to China including job prospects for Filipinos as well as a RMB500-million funding for feasibility studies for the construction of new bridges over Pasig River as well as more drug treatment and rehabilitation centers.

Government approves G2P rice imports

Cabinet Secretary Leoncio Evasco, who oversees the operations of the NFA, said the NFA Council approved the importation of rice via government to private scheme in a meeting last Monday. He said the decision represented a policy shift from government to government rice importation, which he described as "prone to corruption."

Philippine Stock Market Update



Previous Close:

7,791.07

1 Yr Return:

5.87%

Open:

7,805.57

YTD Return:

14.42%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 16, 2017

US Dollar	Philippine Peso
1	49.716

PDST-R2 Rates

As of May 16, 2017

Tenor	Rate
1Y	2.8628
3Y	3.9265
5Y	4.2065
7Y	5.1839
10Y	5.1489
20Y	5.4548

Daily Quote

"Good is the enemy of great."

-Jim Collins

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MORE LOCAL NEWS

Shell allots P12B capex for 3-year expansion

Pilipinas Shell has allocated a capital expenditure (capex) of P4 billion every year over the next three years to fund its retail-network expansion and other businesses. The amount will be used to finance the expansion of its retail network, bitumen facility and refinery optimization expenses, among others.

Biz Buzz: Round One to NGCP

The DOE team felt that the deal entered into by the government with NGCP almost a decade ago gave the private owners too much benefits to the detriment of the consumers. DOE's ultimate plan? Nothing less than a "re-nationalization" of NGCP. Here's the thing though: It seems that the Cabinet wasn't too enthusiastic about the plan.

D&L prepares for next stage of expansion

Food input and plastic chemical manufacturer D&L Industries is preparing for a new phase of expansion to avoid production bottlenecks in the years ahead. For the full year, Alvin Lao said the company was aiming to sustain a double-digit profit growth. This tempers the company's earlier guidance of mid- to high-teen profit growth this year.

BSP to banks: Don't pay ransomware attackers

In the wake of a massive global ransomware attack, the Bangko Sentral ng Pilipinas (BSP) instructed banks and other financial institutions not to pay or communicate with cyber criminals. Espenilla pointed out paying ransom only encourages cyber criminals' illicit activities.

Dominguez seeking Japan's support in currency swap

Finance Secretary Carlos Dominguez III has asked Japan to support a proposal of the Association of Southeast Asian Nations to raise the International Monetary Fund's de-linked portion for its \$240-billion currency swap mechanism from 30 percent to 40 percent.

ERC affirms decision on P6.9-B Meralco refund

The Energy Regulatory Commission (ERC) reconfirmed its decision on Monday for Manila Electric Co. (Meralco) to return P6.9 billion to consumers. "Same as the previous order. We just confirmed it," ERC Commissioner and Officer-in-Charge Alfredo J. Non, said in a text message.

TODAY'S TOP ASIAN NEWS

Yum China buying controlling stake in Daojia

Yum China Holdings, the operator of KFC and Pizza Hut restaurant chains across the country, is buying a controlling stake in food delivery service provider Daojia, as it looks to boost sales by better serving customers who chose to eat at home.

SCB urged to re-purchase Phoon-huat & Co.

Standard Chartered Plc, the lender trying to wind down its private-equity unit, faces pressure from two of the world's biggest asset managers to buy back the stake in a Singaporean food company it sold them less than a year ago, people familiar with the matter said.

Mekong Capital invests in Viet log firm Nhat Tin

Vietnam-focused private equity firm Mekong Capital has made an undisclosed investment in logistics company Nhat Tin Investment Trading Development through its Mekong Enterprise fund III. The fund has completed the first round of this financing in the Ho Chi Minh City-based company.

500 Startups keeps 20% failure rate after 6 years

Is it true that investing in early-stage startups has a 90% risk of failing? Not in the case of 500 Startups, the VC firm claims. Recent analysis of the company's first and second funds' performance shows that only 20% of portfolio had died within 6 years.

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MORE ASIAN NEWS

HK sells car park site to developer for record \$3B

Henderson Land Development Co. outbid eight other developers and will pay a record HK\$23.3 billion (\$3 billion) for the first commercial land to be sold by Hong Kong's government in the Central district since 1996. The Hong Kong company's shares fell the most in the Hang Seng Properties Index on Wednesday, sliding as much as 2.9

JPN set for longest econ. growth run in a decade

While Japan's failure to spur inflation continues to generate angst about the nation's future, gross domestic product data this week is likely to show that the economy has still managed to eke out five straight quarters of expansion. That would be the best run since 2006, during Japan's last period of political stability.

China gives its embattled markets a break

China's embattled investors may be finally catching a break. After spearheading a deleveraging campaign that wiped some \$500 billion from local stocks and debt, the central bank boosted cash injections this week and provided more seven-day funds, the cheapest form of financing it offers.

Taiwan seeks stronger Asia ties

"Go west!" is the mantra Taiwanese companies lived by for the best part of three decades, turning China into their biggest trading partner. But with cross-strait relations at their worst in close to a decade, President Tsai Ing-Wen is urging firms to turn south.

TODAY'S TOP GLOBAL NEWS

Boeing delivers first 737 Max to Lion Group

Boeing Co. delivered the first 737 Max to the jetliner's largest customer, Lion Mentari Airlines PT, a step toward reaping a cash bounty from the best-selling aircraft in company history. The Max "is the most important program at Boeing both now and in the future," Boeing said.

Norway's \$2B development fund bets big on Africa

Norway's state-run development fund, Norfund, is finding the fattest returns in Africa are in the financial industry. The \$2 billion fund, which is more and more concentrating its investments in sub-Saharan Africa, placed more than half its new capital last year in financial institutions.

Scottish offshore wind may get \$13B lift

Scottish judges paved the way for as much as 10 billion pounds (\$13 billion) to be invested in offshore wind power by overturning a ruling that said projects may kill too many birds.

US nears record \$100B arms deal for Saudi

Earlier this month, US officials said the US was seeking to reach "billions" of dollars in arms sales to Saudi Arabia as part of Trump's visit to Riyadh. With a week left before the visit, officials now say the White House is very close to the deal, and that it will amount to over \$100 billion in sales.

Australia focuses on infra with \$78b investment

Australia's government finally took up the central bank's call for economic stimulus in its annual budget, with a A\$75 billion (\$77.7 billion) infrastructure plan. Road, rail and runway construction will support growth from Western Sydney to Western Australia, Treasurer Scott Morrison announced in Canberra yesterday.

Economic Calendar

Date	Release
05.17.2017	PH: GDP YoY
05.18.2017	PH: BoP Overall
05.18.2017	PH: Budget Balance PHP
05.30.2017	PH: Bank Lending YoY
05.31.2017	PH: Nikkei Philippines PMI Manufacturing

Source: Bloomberg Economic Calendar