

# The Daily Dispatch

May 19, 2017  
TODAY'S TOP NEWS

## Pilipinas Shell gets OK to sell excess power

PILIPINAS SHELL Petroleum Corp. has gained its stockholders' approval to expand its business to include the sale of excess electricity through the wholesale electricity spot market (WESM), it told the stock exchange on Thursday.

## Strong demand seen for Eagle Cement IPO

EAGLE CEMENT Corp. (ECC) expects strong demand from both institutional and retail investors for its P8.6-billion initial public offering (IPO), attracted by the company's production efficiency, strong brand equity, and sound financials, the underwriter of the issue said.

## NIA: 357 potential hydro within irrigation system

THE National Irrigation Administration (NIA) plans to put up more hydropower projects on existing irrigation systems to boost its income and help augment power supply in the countryside.

## Chelsea Logistics prepares for IPO

Businessman Dennis Uy is combining all of his logistics assets under Chelsea Logistics Corp., ahead of the company's initial public offering, which can raise up to P8 billion in the middle of 2017. This comes as Uy said he was laying the groundwork for Chelsea to become a "super shipping and logistics company."

## Govt losing over P90B in VAT annually

The government is losing over P90 billion in potential annual revenues from value-added tax (VAT), which can be avoided by broadening the VAT base—a measure contained in the first package of the Comprehensive Tax Reform Program (CTRP), the Department of Finance (DoF) said on Thursday.

## Philippine Stock Market Update



Previous Close:

7,757.69

1 Yr Return:

6.16%

Open:

7,755.35

YTD Return:

13.21%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

## Foreign Exchange

As of May 18, 2017

US Dollar	Philippine Peso
1	49.854

## PDST-R2 Rates

As of May 18, 2017

Tenor	Rate
1Y	2.8020
3Y	3.8999
5Y	4.2061
7Y	4.9643
10Y	4.8449
20Y	5.5032

## Daily Quote

"Everything has beauty, but not everyone can see."

--Confucius

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## MORE LOCAL NEWS

### Nestle goes green, taps AboitizPower

Nestle Philippines Inc. has turned green for its power requirements in its Batangas plant through a partnership with AboitizPower. The Nestle manufacturing facility in Lipa, Batangas has switched to using clean energy from Aboitiz Power's MakBan Geothermal Power Plant since February.

### Q1 growth falls short of forecast

The National Economic and Development Authority (NEDA) reported yesterday gross domestic product (GDP) expanded 6.4 percent in the first quarter – lower than the market forecast of between 6.8 to seven percent – largely due to the absence of election-related spending and slower government spending.

### Tax reform to upgrade Philippine credit rating

The Philippines could potentially enjoy a credit rating upgrade should the government implement its tax reform program, Budget Secretary Benjamin Diokno said yesterday. Diokno said the approval of the substitute tax reform bill in the Congress, despite the watered down provisions, would put the Philippines in a good fiscal position.

### House probe sought on alleged rice cartel

Manila 1st District Rep. Manuel Lopez has urged the House committees on Agriculture and on Food and Food Security to conduct an inquiry in aid of legislation on the possible existence of a rice shortage in connection with the directive of President Duterte to temporarily halt the importation of rice in the country.

### PH gaming industry remains lucrative

At the Global Gaming Expo G2E Asia here, Grant Govertsen, Union Gaming manager director said that inbound Chinese players as well as the nation's strong economic expansion continue to drive the local gaming industry.

### Chelsea Logistics wants a bigger pie of 2GO

Fueled by domestic consumption and e-commerce, almost every large conglomerate in the Philippines wants a share of the booming logistics market. A businessman from Davao does not want to get left behind, as he plans to acquire a bigger stake in 2GO Group Incorporated through his shipping company.

### Melco is world's best performing casino stock

Melco Crown Philippines Resorts Corp. is the best-performing casino stock in the world this year. To punters playing baccarat at the company's City of Dreams venue in Manila, that's no surprise. China is key to this year's 117 percent surge in shares of Melco Crown Philippines, a subsidiary of a Hong Kong gaming behemoth.

## TODAY'S TOP ASIAN NEWS

### Ma unseats Wang Jianlin as China's richest man

As of Thursday, Ma's net worth was US\$31 billion, narrowly outstripping US\$30.8 billion for Wang, the property-to-entertainment mogul who controls the world's largest cinema chain AMC Entertainment and China's largest private developer, according to Forbes.

### Modi's oil champions on track to match \$16B spend

India's state-owned oil companies aim to sustain spending near a three-year high, encouraged by falling oil-services costs and expanding demand. The country's largest oil refiner Indian Oil Corp. will boost domestic spending by a quarter in the year to March 31.

### IFC to invest \$15m in Arbor Venture's new fund

International Finance Corporation (IFC) will invest up to \$15 mn in Hong Kong-based venture capital firm Arbor Ventures' \$220-million new fund Arbor Venture Fund II. IFC is considering an equity investment as a limited partner.

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## MORE ASIAN NEWS

### China steel headed for 2nd best week this year

Shanghai rebar steel futures climbed to a six-week peak on Friday and were on track for their biggest weekly increase since January, supported by worries over tighter supply as China sustains a crackdown against polluting producers.

### CH is using yuan to combat risk of a market meltdown

China has an insurance policy against a full-scale market meltdown: the daily currency fixing. With stocks and bonds in retreat amid anxiety over Beijing's deleveraging campaign, officials have been guiding the yuan higher against the US dollar in a move that's caught market watchers by surprise.

### Ant Financial eyes more deals in global expansion

Ant Financial, China's largest provider of internet financial services, will continue investing in mobile-payment providers around the world to boost offshore revenue and buttress itself from rising competition and tighter regulation at home.

### Frasers Centrepoint to bump up stake in THA's Ticon

Property developer Frasers Centrepoint Limited (FCL) has further raised its stake in listed Thai industrial property developer Ticon Industrial Connection Public Company Limited. The group had earlier pumped in about S\$520 million, into Ticon to hold around 40 per cent of Ticon's post completion enlarged share capital.

## TODAY'S TOP GLOBAL NEWS

### New rules set to shake up the global insurance

New "once in a lifetime" rules standardising the way insurers around the world report their accounts may help them to raise capital from the markets as well as benefitting consumers and investors, according to analysts.

### The End Of Oil Within 10 Years?

We are on the cusp of one of the fastest, deepest, most consequential disruptions of transportation in history. By 2030, within 10 years of regulatory approval of autonomous vehicles (AVs), 95% of U.S. passenger miles traveled will be served by on-demand autonomous electric vehicles.

### Greece to approve new cuts to secure cash

Greece's parliament on Thursday was to approve a new round of austerity cuts, hoping to secure a pledge of debt relief and loan payment approval by the country's EU-IMF creditors this month. Leftist Prime Minister Alexis Tsipras has a slim majority in parliament sufficient to pass the bill this evening.

### Brazil's biggest fortunes plunge in Temer crisis

Reports of fresh political corruption crushed asset values in Brazil and cost the country's 16 richest people \$6.2 billion Thursday, according to the Bloomberg Billionaires Index. Stocks, bonds and the real fell sharply after O Globo newspaper reported on

### US firm sparks bidding war for Australia's Fairfax

American investment firm Hellman & Friedman has kicked off a bidding war for Australia's Fairfax Media by making a multi-billion-dollar offer to rival private equity company TPG Capital's proposal, the publishing giant said Thursday.

## 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