

# The Daily Dispatch

May 22, 2017  
TODAY'S TOP NEWS

## EEI unit ties up with 2 Jap firms for new business

The new unit that will handle the project—JP System Asia Inc. (JPSAI)—is a joint venture among EEI subsidiary Equipment Engineers Inc., Japan's leading scaffolding and allied products rental company, Sansin Sangyo Co. Ltd., and KYC Machine Industry Co. Ltd., a Japanese construction machine manufacturer.

## DOF plans to convert DBP into an infra bank

The Department of Finance (DOF) said over the weekend it is looking into the possibility of converting the Development Bank of the Philippines (DBP) into an infrastructure bank, which would help facilitate the Duterte administration's massive infrastructure buildup program.

## Infrastructure spending to boost PH GDP

The massive infrastructure spending lined up by the Duterte administration may boost the country's output by at least 1.5 percent per year, according to the BSP. BSP Deputy Governor Diwa Guinigundo said that the government has committed to spend P8.4 trillion for infrastructure until President Duterte steps down in 2022.

## ERC must avert derailment in power sector growth

Resolution over the recent shake up in the ERC is critical in the next year to avert any possibility of derailment in the power sector's development. The ERC has been in the spotlight in the past few months and as the country's power regulator, this has been a major concern for industry players because of uncertainty

## Real estate exposure of Phl banks dips below 20%

The real estate exposure of Philippine banks finally eased below 20 percent in the first quarter as housing prices remained steady amid sustained demand, BSP data showed. The BSP said real estate loans jumped 21.6 percent to P1.32 trillion in the first quarter from P1.08 trillion in the same quarter last year.

## Philippine Stock Market Update



Previous Close:

7,767.62

1 Yr Return:

8.88%

Open:

7,795.29

YTD Return:

14.15%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

## Foreign Exchange

As of May 19, 2017

US Dollar	Philippine Peso
1	49.810

## PDST-R2 Rates

As of May 19, 2017

Tenor	Rate
1Y	2.8228
3Y	3.8851
5Y	4.2026
7Y	5.0339
10Y	5.0504
20Y	5.5493

## Daily Quote

"The greatest crime in the world is not developing your potential. When you do what you do best, you are helping not only yourself, but the world."

--Roger Williams

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## MORE LOCAL NEWS

### Phoenix's Uy buying into Enderun

Petroleum trading and logistics magnate Dennis Uy is in talks to acquire Enderun Colleges Inc., potentially giving the Davao-based businessman a foothold in the education space. Several sources familiar with the discussions confirmed to the Inquirer that Uy had given the existing shareholders of Enderun an attractive offer to buy their shares.

### GT wants to jack up interest in Metro Pac infra

Ty family-led GT Capital Holdings is keen on raising its interest in infrastructure holding firm Metro Pacific Investments Corp., given the opportunity to do so, while scouting for other new businesses outside the group.

### Meralco evaluating participation in Repower hydro

MANILA Electric Co. (Meralco) has the option to participate in the next project of Repower Energy Development Corp. after the partners broke ground on two run-of-river mini-hydropower plants in the past six months.

### EastWest plans to sell 20% stake

East West Banking Corp., the Philippine lender that took over some of Standard Chartered Plc's local operations last year, plans to sell a minority stake to a strategic investor, according to people familiar with the matter.

### Govt agencies get hybrid vehicles

DoE Secretary Alfonso G. Cusi and Japan Ambassador to the Philippines Kazuhide Ishikawa turned over 24 units of advanced hybrid vehicles to various national government agencies (NGAs) on Friday.

### Chooks to Go adds 2 to 3 stores a day

Crispin "Pinggoy" Aquino was appointed in January 2017 as vice president for supply chain management and engineering and executive assistant to the president of Bounty Agro Ventures Inc., a company with a target to open 700 new stores this year under three retail brands—Chooks to Go, Uling Roasters and Reyal Litson Manok.

### Cebu Air spending P24b for expansion

Cebu Air Inc., the operator of Cebu Pacific and Cebgo, has programmed P24 billion in capital expenditures this year to finance fleet expansion. The budget airline, owned by the Gokongwei Group, is acquiring an additional 35 aircraft until 2019 for domestic and international flights expansion.

## TODAY'S TOP ASIAN NEWS

### Cathay Pacific eliminates 600 jobs in reorganization

Cathay Pacific Airways Ltd., Asia's biggest international airline, will eliminate 600 jobs, including 190 managerial positions, as part of the biggest revamp in two decades to help revive earnings. The group had about 33,000 people as of June 2016, according to data compiled by Bloomberg.

### China's growth engines are slowly converging

Growth in China's economy has long centered on the coast, where Shanghai and the Pearl River Delta form some of the world's most productive regions on their own. But now that tide of internal migration that drew hundreds of millions of workers from the farm to factory is shifting, and lifting the economic prospects of the country's interior.

### Rally in SG healthcare stocks may not be over

Health-care stocks in Singapore have rewarded investors with an average 50 percent gain in the past year, a rally that may continue as companies acquire local clinics to expand in the region's medical-care market.

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## MORE ASIAN NEWS

### AC Energy bullish on Indonesia

AC ENERGY Holdings, Inc. is bullish about its entry into the energy sector of Indonesia as it expects its investments in the regional neighbor to account for at least 20% of its earnings in the coming years.

### HNA's shop spree may put it on Fortune's 100 list

HNA Group, which has been on a global shopping spree for assets over the past seven years, is poised for promotion to Fortune's list of the world's 100 largest companies this year, in a move that vindicates its founder's drive to put the company on the world map.

### Minor Int, Japan's Kajima develop villa project

Minor International, a SET-listed operator of hotels and restaurants worldwide, has made a 50:50 joint venture with Japanese property developer Kajima Overseas Asia to develop an ultra-luxury residential project in Phuket, worth 6 billion baht (\$174 million).

### Noble in talks with banks to get \$2.8B loan

Noble Group's stock fell while its bonds rose yesterday after people familiar with the matter said the embattled commodity trader has approached lenders to replace a credit facility with a new US\$2 billion (S\$2.8 billion) loan.

## TODAY'S TOP GLOBAL NEWS

### Huntsman and Clariant in talks for \$14B merger

Huntsman Corp. and Clariant AG are in talks to merge in a transatlantic deal that would create a chemicals company valued at about \$14 billion, according to a person familiar with the discussions. The U.S. and Swiss companies are discussing a deal in which Clariant would own about 52% of the new entity to be called HuntsmanClariant.

### ICTSI pursuing new port projects in Africa

LISTED port operator International Container Terminal Services, Inc., (ICTSI) is pursuing opportunities to bid for new projects in Africa after failing to secure the majority stake in Greece's Thessaloniki Port.

### GE sees new Silk Road as a stroke of luck

In China's drive for a new economic order, General Electric (GE) sees the new Silk Road as a stroke of good fortune that bolsters the company's shift to reduce reliance on the Chinese market to focus more on the emerging markets along the route.

### Uber extends on-demand service to trucking

Uber is expanding into a new field with a version of its on-demand ride application that lets truckers book cargo hauls with simple taps on smartphones. Uber Freight rolling out in the US was touted by the company as an app that matches truckers or trucking companies with loads, and streamlines payments.

### TPG sells Iasis to Steward Health Care for \$2B

TPG is selling Iasis Healthcare Corp., a hospital chain it has owned for 13 years, to a company backed by private equity rival Cerberus Capital Management for about \$2 billion, people familiar with the matter said.

## 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