

The Daily Dispatch

May 24, 2017
TODAY'S TOP NEWS

Hybrid PPP scheme worries businessmen

Filipino businessmen are quietly raising concerns over the government's proposed hybrid approach for PPP infrastructure projects which President Duterte is expected to present during his official visit here. Some members of the Philippine business delegation in the Russia state visit said the new PPP route raises questions.

Government scraps regional airport bidding

The government has stopped the auction for the Regional Airport Projects under the public-private partnership (PPP) scheme to fund the development of the five regional gateways through government appropriations, the National Economic and Development Authority (NEDA) said yesterday.

Stocks reflect uptick in foreign markets

The stock market sustained its winning ways yesterday despite much smaller gains as it continued to take cues from foreign markets. The Philippine Stock Exchange index (PSEi) finished yesterday's trading with a 0.07 percent, or 5.57-point improvement at 7,812.14.

DOTr eyes MRT3 buyout under Duterte admin

The Department of Transportation (DOTr) is reviving talks of a buyout of the Metro Rail Transit Line 3 (MRT3), a plan of the previous Aquino administration that did not work out. DOTr Undersecretary for Rails Cesar Chavez revealed this as the Senate probe into the MRT3 mess resumed on Tuesday, May 23.

Landbank loans to priority sectors reach new high

State-run Land Bank of the Philippines said yesterday its outstanding loans to small farmers, fishers, entrepreneurs and other priority sectors amounted to a record P434.4 billion in end-March, climbing 12 percent from P387.4 billion in the same period last year.

Philippine Stock Market Update



Previous Close:

7,812.14

1 Yr Return:

8.04%

Open:

7,788.11

YTD Return:

14.27%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 23, 2017

US Dollar	Philippine Peso
1	49.818

PDST-R2 Rates

As of May 23, 2017

Tenor	Rate
1Y	2.8258
3Y	3.8160
5Y	4.1291
7Y	4.8607
10Y	4.9729
20Y	5.4607

Daily Quote

"The true test of character is not how much we know how to do, but how we behave when we don't know what to do."

-John Holt

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MORE LOCAL NEWS

GBPC plots expansion to double capacity

Global Business Power Corp. (GBPC), a major power player in the Visayas, is eyeing to expand in Luzon and Mindanao by investing in traditional power projects and venturing into the renewables sector under its new leadership to meet its goal of doubling its capacity in five years.

GMA spending P800m to roll out digital service

Broadcast company GMA Network Inc. said it will spend P800 million this year to finance the initial rollout of its digital terrestrial television service and program rights acquisition. "The capital expenditures that have been approved related to the initial tranche of DTT transmission and back-end facilities is roughly in the vicinity of about

Filinvest set to open new mall in Tagaytay

Property developer Filinvest Land Inc. said Tuesday it is set to open a new shopping mall as a part of a 5.2-hectare townscape project in Tagaytay City. Filinvest Land said Fora Mall, a commercial development with 48,000 square meters of leasable space, would open within the second quarter this year.

ERC to set system loss cap, monitoring in Q4

The Energy Regulatory Commission (ERC) will set a new cap and implementation mechanism for monitoring electricity distributors' system loss by the fourth quarter of this year, the agency said on Tuesday.

Alveo Land's Evo City initial sales hit P3.5B

Alveo Land said on Tuesday it has successfully launched the first phase of its residential subdivision in Evo City, generating P3.5 billion in sales for the initial 395 lots of the subdivision. Alveo said it sees Evo City as the next Central Business District (CBD) of the south and one of the prime commercial and residential destinations in the country.

DENR orders Ipinan Nickel to explain tree cutting

The DENR has given Ipinan Nickel Corp. (INC) until today, May 24, to explain why no criminal charges should be filed against it for its indiscriminate cutting of trees in the town of Brooke's Point in Palawan Province.

TODAY'S TOP ASIAN NEWS

China debt outlook downgraded to A1 by Moody's

Moody's Investors Service cut its rating on China's debt, in a challenge to the view that the nation's leadership will be able to rein in debt while maintaining the pace of economic growth. Moody's reduced the rating to A1 from Aa3 and changed the outlook to stable from negative.

Hedge fund loses 62% by going against CH economy

A hedge fund at Emerging Sovereign Group that has bet against the Chinese economy sunk about 62 percent this year through April. China bears have suffered as economic growth accelerated in the first quarter and officials have been guiding the yuan higher against the dollar in a move that's caught market watchers by surprise.

SEA's biggest startup files for \$1B IPO

Southeast Asia startup Sea Ltd has filed for a potential US initial public offering that could raise about US\$1 billion, Bloomberg reported on Tuesday, citing people familiar with the matter. Goldman Sachs and Morgan Stanley are serving as underwriters.

ChemChina and Sinochem press \$120B deal

Chinese state-owned Sinochem and ChemChina are in merger talks to create the world's biggest industrial chemicals firm, to be headed by Sinochem chief Ning Gaoning. A deal could be announced by the end of the year, potentially just months after ChemChina completes its own \$43 billion purchase of Switzerland's Syngenta.

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MORE ASIAN NEWS

Disagreements surface: China RCEP free trade

The Regional Comprehensive Economic Partnership (RCEP) would create a free trade area of more than 3.5 billion people, bringing together China, India, Japan, South Korea, Australia and New Zealand as well as Southeast Asian nations. The RCEP talks, which began in 2012, have been given new impetus by the US withdrawal from the

Aramco plans up to \$30B investment in Motiva

Saudi Aramco plans an investment of up to \$30B in its U.S. subsidiary Motiva Enterprises LLC, the company said in an announcement. The company said that \$12B would be the initial investment in a project to expand refining capacity at Motiva's Port Arthur, Texas, refinery, and to extend Motiva's operations in the petrochemical value chain.

TODAY'S TOP GLOBAL NEWS

Jump in renewable energy jobs worldwide: agency

The renewable energy sector employed 9.8 million people worldwide in 2016, almost twice as many as in 2012, the Abu Dhabi-based International Renewable Energy Agency (Irena) said on Wednesday. In its "Renewable Energy and Jobs - Annual Review 2017", Irena says the sector employed five million people five years ago.

Oil settles on view Opec will extend output cuts

Oil prices settled a bit higher on Tuesday as expectations of an extension to Opec-led supply cuts overshadowed a White House proposal to sell half of US petroleum reserves. Brent crude settled up 28 cents at US\$54.15 per barrel. US light crude was up 34 cents at US\$51.47.

Blockchain firm raises \$107m from investors

Chinese insurance giant Ping An and HSBC were among the 40 financial services companies to contribute to financial technology firm R3's US\$107 million series A fund-raising round, the firm announced on Tuesday.

UK's consumer slowdown ripples through economy

The Brexit squeeze on British consumers has hurt the government's finances as well as retailers, data showed on Tuesday, indicating that the economy's slowdown at the start of the year is now being felt more broadly. A stalling of sales tax revenues helped to widen Britain's budget deficit by more than expected, official data showed.

Trump seeks to slash \$3.6 trillion of spending

U.S. President Donald Trump asked lawmakers on Tuesday to cut \$3.6 trillion in government spending over the next decade, taking aim at healthcare and food assistance programs for the poor in an austere budget that also boosts the military.

Westinghouse reaches deal for US bankruptcy loan

Westinghouse Electric Co told a U.S. court on Tuesday the nuclear power company had reached a deal to borrow \$800 million after allaying creditors' concerns that the money would be flowing to non-bankrupt affiliates overseas.

Brazil's JBS hire Bradesco for asset sale plan

Members of the billionaire Batista family, which owns about 42 percent of JBS, are looking for ways to raise cash after prosecutors demanded they pay an 11 billion reais (\$3.36 billion) fine to settle allegations they bribed scores of politicians, one of the people 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