

The Daily Dispatch

May 29, 2017
TODAY'S TOP NEWS

MPTC to borrow P47B to fund key projects

MPTC President and Chief Executive Officer Rodrigo E. Franco said it is raising funds for the P55.9-billion Cavite-Laguna Expressway (CALAX) project, the P11.7-billion Manila-Cavite Expressway (CAVITEx) C5 South Link, and the P27.9-billion Cebu-Cordova Link Expressway.

Gov't spending on infra falls by P9B in April

Government spending on infrastructure fell 21.2% in April, as its big-ticket projects have yet to break ground. Data released by the Department of Budget and Management (DBM) on Friday, May 26, showed that infrastructure and other capital expenditures amounted to P33.5 billion for April 2017, P9 billion lower YoY.

BSP sees slightly lower inflation in May

The Bangko Sentral ng Pilipinas (BSP) said inflation would range between 2.9% and 3.7% this month, thanks to lower oil and electricity prices. BSP Governor Amando Tetangco Jr said rollbacks in domestic oil as well as the downward adjustment in electricity rates could exert downside influence on inflation.

Fewer companies to expand, hire in Q3

Fewer companies are set to expand and hire additional workers amid the expected slowdown in economic activity in the third quarter, results of a survey conducted by the Bangko Sentral ng Pilipinas (BSP) showed.

Ayala Corp, LT Group to launch joint proj by Q3

Ayala Corp. and the LT Group Inc. (LTG), two of the country's biggest conglomerates, are now looking to launch in the third quarter their biggest joint project to date, a mixed-use 35-hectare estate development along the C-5 corridor, spanning the cities of Quezon City and Pasig.

Philippine Stock Market Update



Previous Close:

7,867.49

1 Yr Return:

8.58%

Open:

7,866.48

YTD Return:

15.62%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 26, 2017

US Dollar	Philippine Peso
1	49.770

PDST-R2 Rates

As of May 26, 2017

Tenor	Rate
1Y	2.8413
3Y	3.8391
5Y	4.1401
7Y	4.8839
10Y	4.9882
20Y	5.4839

Daily Quote

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." --Warren Buffet

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MORE LOCAL NEWS

MVP, RSA open to partnerships with CH, RU

Tycoons Manuel Pangilinan and Ramon Ang are not passing up on opportunities to capitalize on the country's warming relationship with China and Russia as they welcome potential joint venture deals with firms from these nations.

PSE, BIR rushing REIT solution

The Philippine Stock Exchange, is making headway in its talks with the Finance Department and the Bureau of Internal Revenue (BIR) for the proposed amendment of the Implementing Rules and Regulations (IRR) of the Real Estate Investment Trust Law (REIT) to make it more appealing to potential issuers.

Banks' profits down 3.42% in Q1

Lower trading gains pushed big banks' net income lower at the end of the first quarter to P33.74 billion, down 3.42 percent compared to P34.94 billion it had in the same period last year. The universal and commercial banks' non-interest income decreased by 12.42 percent during the period to P27.4 billion from P31.29 billion.

SMC eyes increased Batangas road toll

The tollway unit of San Miguel Corp. has asked the Toll Regulatory Board to approve toll adjustments for additional works on the Southern Tagalog Arterial Road. In a filing with TRB, Star Infrastructure Development Corp. is seeking an additional toll of P1.361 per kilometer at STAR covering the 41.9 kilometer expressway.

Alsons eyes new partner for hydropower venture

Alsons Consolidated Resources is in talks with new partners for its first venture into hydroelectric power, while keeping open its invitation to Japan's Toyota Tsusho Corp. to put in 25% of the equity component of the project, its president said.

Offshore gaming drives demand for office space

Offshore gaming companies have emerged as one of the main growth drivers in the Philippine office market in the first quarter, but the government needs to provide "clear, consistent and reliable" support for this industry to continue to flourish, a property services firm said.

\$2.4-B 'Energy City' in Bataan proposed

A joint venture between the state-run Philippine National Oil Co. (PNOC) and a private sector group that includes businessman Manuel V. Pangilinan is set to build a \$2.4 billion liquefied natural gas (LNG) terminal in Limay, Bataan, that will also serve as a special economic zone.

SteelAsia signs supply deals with 2 Russian firms

SteelAsia Manufacturing Corp., the Philippines' leading steel company and the largest manufacturer of steel bars (rebar) in Southeast Asia, has closed deals with two of Russia's leading companies for a steady supply of billets and technology and skills transfer.

Alsons plans energy investment in Indonesia

Alsons Consolidated Resources, Inc. (ACR) is eyeing Indonesia for the expansion of its energy portfolio as part of a bid to grow into a regional energy player and amid the immense potential offered by the Asean economic integration.

TODAY'S TOP ASIAN NEWS

THA to take on SG with \$5.7B airport overhaul

Thailand is seeking to take on Singapore's dominance in aircraft maintenance, repair and overhaul with a \$5.7 billion upgrade of a Vietnam War-era airport. The airport project is part of junta leader Prime Minister Prayuth Chan-Ocha's goal of boosting the economy, whose expansion has lagged behind neighbors.

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MORE ASIAN NEWS

Osaka is better choice for casino than Tokyo

Lawrence Ho, the billionaire owner of Melco Resorts & Entertainment Ltd., said he favors building a casino in Osaka rather than Tokyo because there are more opportunities to develop the smaller Japanese city as an entertainment destination. Ho is among the industry heavyweights seeking entry to Japan.

Vietnam PM confident of 6.7% growth goal

Vietnamese Prime Minister Nguyen Xuan Phuc said he is confident economic growth this year will meet a goal of 6.7 percent without adding to inflation, despite weak expansion last quarter. Vietnam is taking steps to bolster the economy as the nation seeks to retain its status as one of the world's fastest-growing economies.

China Tower invites banks to pitch for 10B HK IPO

China Tower Corp, which owns and manages the mobile phone towers for China's three state-owned telecom operators, has invited investment banks to pitch for a role in a Hong Kong IPO worth up to \$10 billion, IFR reported on Monday.

VietJet seeks first Vietnam overseas listing

VietJet Aviation Joint Stock Co., which controls almost half of Vietnam's domestic airline market, is in talks to become the first company in the Southeast Asian nation to list its shares in an overseas stock exchange. London, HK and SGX have been considered.

Hong Kong throngs defy bid to cool home market

Snaking queues of thousands of prospective apartment buyers in Hong Kong signaled authorities have made no progress in cooling a red-hot property market, where prices are at records.

TODAY'S TOP GLOBAL NEWS

The world is about to be flooded with cotton

The world is about to be inundated with cotton as farmers take advantage of high prices to produce more and China floods the market with excess supply from its strategic inventory. Global output will climb 6.9 percent in the season that starts Aug. 1, helping push stockpiles outside of China to a record, estimates show..

Tech giants seek to build AI smarts

A total of 34 artificial intelligence startups were acquired in the first quarter of this year, more than twice the amount of activity in the year-ago quarter, according to the research firm CB Insights. Tech giants seeking to reinforce their leads in artificial intelligence or make up for lost ground have been the most aggressive buyers.

TPP can succeed without the U.S.

The U.S. signed the Trans-Pacific Partnership trade deal last year, then decided not to implement it. The 11 other signatories have given themselves until November to decide whether to go ahead anyway. They shouldn't need half that long. The deal as it stands is far better than none.

PepsiCo in bid to acquire Vita Coco owner

Soft drink maker PepsiCo Inc is in talks to acquire All Market Inc, the owner of coconut water brand Vita Coco. The acquisition would help PepsiCo diversify its offerings as it grapples with stagnant sales, amid a shift of many consumer tastes' away from sugary drinks and snacks toward healthier options.

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