

The Daily Dispatch

May 30, 2017
TODAY'S TOP NEWS

Mindanao WESM up despite conflict

“Activities for WESM Mindanao will push through. The launching on June 26, 2017 triggers the start of the trial operations period. This will aid us in determining the readiness of the trading participants, including the system operator and the market operator,” Energy Undersecretary Felix William Fuentebella said.

Eagle Cement marks stock debut

Eagle Cement chairman Ramon Ang said the company is eyeing a market share of at least 25 percent in the next two to three years. This would propel Eagle Cement as the market leader in the country, surpassing current industry leaders Republic and Holcim, Ang said.

FPH earmarks P10B to redevelop real estate assets

Lopez-led First Philippine Holdings Corp. (FPH) is allotting P10 billion over the next five years for green redevelopment projects of its under-utilized real estate assets to generate better returns, company officials said yesterday.

SMC to submit \$2B spillway project

Conglomerate San Miguel Corp. (SMC) said it will submit a \$2-billion (about P100 billion) worth of unsolicited project proposal to the Duterte administration to construct a spillway that will help solve chronic flooding in Metro Manila.

CLI IPO oversubscribed

Cebu Landmasters Inc.’s P2.9B IPO saw strong demand from investors and has been oversubscribed. “We saw very strong demand coming in during the offer period – from institutions, brokers and retail clients,” said Ed Francisco, President of BDO Capital, the joint lead underwriter and bookrunner along with BPI Capital Corp.

Philippine Stock Market Update



Previous Close:

7,886.03

1 Yr Return:

7.54%

Open:

7,891.75

YTD Return:

15.21%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 29, 2017

US Dollar	Philippine Peso
1	49.792

PDST-R2 Rates

As of May 29, 2017

Tenor	Rate
1Y	2.8374
3Y	3.8396
5Y	4.1339
7Y	4.7929
10Y	4.9429
20Y	5.4068

Daily Quote

“Giving up smoking is the easiest thing in the world. I know because I've done it thousands of times.”

--Mark Twain

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MORE LOCAL NEWS

Manila Water raises stake in Vietnam water firm

In a regulatory filing yesterday, the company said its wholly owned unit Manila Water South Asia Holdings Pte. Ltd. has signed an investment agreement with Saigon Water Infrastructure Corp. (SII) for the acquisition of additional 6.15M primary shares which will allow it to own 37.99% of the outstanding capital stock of SII.

Employers buck Labor Code amendments

The Employers Confederation of the Philippines said yesterday there are currently 25 bills for deliberation before the House committee on labor and employment seeking to amend the provisions of the Labor Code on security of tenure and contractualization which have specific provisions that the group considers “objectionable.”

SSS seeking P10b for National Grid site

An official of state-run SSS said the fund should collect P10 billion from the sale of its property to NGCP for the use of a substation and other power equipment. SSS commissioner Jose Gabriel La Vina told reporters National Grid valued the SSS property in Pasay City at only P1.46 billion, lower than the zonal value of P10 billion.

3 bidders pre-qualify for Sucat power plant

Three bidders passed the pre-qualification process of PSALM in the auction of the decommissioned 850MW Sucat Thermal Power Plant in Muntinlupa City. PSALM said in a statement the qualified bidders would be allowed to participate further in the bidding process and were expected to submit their offers for the Sucat plant on Wednesday.

Govt to submit 2nd tax reform proposal in Q4

The DoF said the proposed second package of the Comprehensive Tax Reform Program will be submitted to the Congress by the fourth quarter of the year. “The second package will involve the dropping of the tax rate for corporates. In exchange, we will review all fiscal incentives being handed,” DOF Secretary Carlos Dominguez said.

SMC unit allots P3b to widen toll road

The tollway unit of San Miguel Corp. is spending P3.04 billion this year to finance the expansion of South Luzon Expressway. South Luzon Tollways Corp. said the bulk of the capital expenditures, or P2.32 billion, would be used to construct additional lanes and toll plaza at TR2 and TR4.

BSP to liberalize rules for micro-banking offices

THE CENTRAL BANK is looking to allow the broadening of services offered by micro-banking offices (MBOs) to bring more Filipinos aboard formal financial channels, as part of its plans to spur increased digital payments in the country.

Manila Water unit raises stake in Vietnam firm

The Ayala-led water concessionaire on Monday said its Singapore subsidiary Manila Water South Asia Holdings Pte. Ltd. had signed an investment agreement with Saigon Water Infrastructure Co., Inc. for the purchase of 6.146 million primary shares.

DBP to become PH's infra bank before yearend

The government's plan to realign the thrust of the state-run Development Bank of the Philippines into infrastructure lending would be fleshed out by yearend even as the Department of Finance would look into possible capital infusion to support the mandate, Finance Secretary Carlos G. Dominguez III said.

TODAY'S TOP ASIAN NEWS

Singapore fines Credit Suisse, UOB after probe

Singapore fined Credit Suisse and United Overseas Bank a total of S\$1.6 million (S\$1.2 million) after a two-year regulatory review of banks involved in fund flows linked to 1Malaysia Development Bhd., or 1MDB. Singapore has vowed stronger action after the central bank found anti-money laundering lapses at companies linked to 1MDB.

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MORE ASIAN NEWS

Vietnam looks to salvage Obama trade gains

Vietnamese Prime Minister Nguyen Xuan Phuc has a tough task when he visits the White House this week: Convince President Donald Trump to advance trade ties that blossomed under the Obama administration. To do so, Phuc plans to highlight all the U.S. jobs his nation supports through imports of American goods.

Region's strong growth big pluses for Asian banks

The prospects for Asian banks are good chiefly because the prospects for Asian economies are good, said Ravi Menon, Monetary Authority of Singapore (MAS) managing director. At the same time, financial inclusion remains low in many parts of the region, he said on Monday at the Symposium on Asian Banking and Finance.

Recruitment firm HRnetGroup going for \$175m IPO

HRnetGroup, Singapore's largest recruitment firm, has lodged a preliminary prospectus for a listing on the mainboard of the Singapore Exchange with plans to start trading on June 16. The group expects to raise up to S\$175 million by issuing 194 million new shares at between S\$0.80 to S\$0.90 per share.

CH state fund kicks start new Silk Road project

A Chinese government-backed fund focusing on investing in central and eastern Europe is poised to make its first investment this year amid Beijing's ambitious new Silk Road initiative, the head of the company overseeing the fund said.

AAPICO to invest \$100m in UK's auto parts maker

Thailand's AAPICO Hitech Pcl has received its board's approval to invest \$100 million in UK-based auto parts maker Sakthi Global Auto Holdings (SGAH). AAPICO will spend \$50 million in purchasing newly issued ordinary shares, equivalent to 25.10% of SGAH.

TODAY'S TOP GLOBAL NEWS

Asia stocks slip, Euro falls on Draghi comments

Asian equities fell in thin trading and the euro slipped after Mario Draghi's dovish message to the European Parliament and as investors assessed the path for higher U.S. borrowing costs. The key challenge for investors remains gauging the ability of the world's economy to withstand rising borrowing costs.

Buffett buys stake in German specialty chem co.

Lanxess AG soared in Frankfurt trading after Warren Buffett's General Reinsurance AG unit bought a 3 percent stake, placing the U.S. investor among the top six shareholders of the German chemicals company. The stock rose as much as 6.8 percent, erasing an earlier decline, after the stakeholding was disclosed.

Luxury goods sales growth seen up 2-4% in 2017

Global sales of personal luxury goods will grow by a stronger-than-expected 2-4 per cent at constant exchange rates in 2017, as higher spending in Europe and China outpace weakness in the United States and South-east Asia, a report showed on Monday.

Alipay to expand alliance First Data

Alipay, mainland China's biggest online and mobile payments platform, plans to kick its international expansion into high gear by extending its partnership with US payment processor First Data Corp to cover a network of more than six million retailers and 4,000 financial institutions around the world.

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