

# The Daily Dispatch

June 15, 2017  
TODAY'S TOP NEWS

## MPIC boosts Meralco stake

Metro Pacific Investments Corp. (MPIC) has further expanded its presence in the power sector with the purchase of additional stake in Manila Electric Co. (Meralco), in line with its goal to invest across the entire energy spectrum. It has raised its stake in Meralco to 45.5 percent from 41.2 percent.

## PH growth prospects remain bright: Oxford Business

Prospects for the Philippines continue to remain bright given its sound economic fundamentals, but further improvement on its domestic policies would be critical to take its economy a notch higher, global research and consultancy firm Oxford Business Group (OBG) said.

## Agus-Pulangi hydro plant rehab needs P34B funding

The government remains keen on implementing the rehabilitation of the 982MW Agus-Pulangi Hydroelectric Power Plants, which would need P34B in total funding. Finance Sec. Dominguez said the government is seeking to rehabilitate the Agus-Pulangi hydroelectric system while there is still a power supply glut in Mindanao.

## Trial operations kick off for WESM-Mindanao

Amid the tension in the region, the propounded launch date as well as trial operations program for the WESM in Mindanao sails on to concretization this month. According to PEMC President Ocampo, the Department of Energy (DOE) has already given go-signal on the market's trial operations starting June 26 this year.

## PH seen as ASEAN's next 'tiger economy'

Although a worsening infrastructure deficit, poverty and underemployment, and weaker global export demand have presented challenging headwinds, the Philippine economy is on track to surpass recent highs, making it the most likely to become the next "tiger economy" among ASEAN countries - Oxford Business Group.

## Philippine Stock Market Update



Previous Close:

7,966.01

18,200.00

1 Yr Return:

8.80%

Open:

7,975.43

YTD Return:

17.29%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

## Foreign Exchange

As of June 14, 2017

US Dollar	Philippine Peso
1	49.504

## PDST-R2 Rates

As of June 14, 2017

Tenor	Rate
1Y	3.0179
3Y	3.8421
5Y	4.0369
7Y	4.4558
10Y	4.6621
20Y	5.3161

## Daily Quote

"Not everything that can be counted counts, and not everything that counts can be counted."

-William Bruce Cameron

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## MORE LOCAL NEWS

### 68 firms required to increase public float

Securities and Exchange Commission director for market securities and regulations Vicente Graciano Felizmenio said in a presentation during a public consultation that 39 companies would be affected by the imposition of a 15-percent public float by end-2018, while 68 firms must comply with the 20-percent requirement by end-2020.

### Manila considering Samurai bond mart

The Samurai bond market may be getting a little ninja-like appetite for risk. After a dearth of higher-grade yen-denominated securities earlier this year, investors snapped up lower-rated bonds sold by Credit Agricole SA and Indonesia in recent weeks. The Philippines is also considering a return to the market for the first time since

### Doubts cast on Kaliwa dam 2022 completion

THE government's deadline for completing the P18.72-billion Kaliwa dam, set for the end of the President's term in 2022, will be tough to meet given the project's scope, but Metro Manila will have alternative water sources even beyond 2022, some industry participants said.

### Maynilad aims to further reduce nonrevenue water

Maynilad Water Services, Inc. is targeting to reduce its nonrevenue water (NRW) to 20% of the total water it distributes after the company secured from Japanese lenders a P10.8-billion loan, the bulk of which will be used for this initiative in the next four years.

### Lapanday Foods won't rebuild burnt packaging plant

The Lorenzo family-owned Lapanday Foods Corp. (LFC) has decided not to revive its plant for packaging materials located here, which was burned down by the communist New People's Army (NPA) on April 29.

### BIR misses target

The Bureau of Internal Revenue collected P157.36 billion in taxes last May, missing its target for the month by a tenth, the latest Department of Finance data showed. The actual take of the country's biggest tax-collection agency last month was 10.12-percent lower than the P175.09-billion goal.

### TODAY'S TOP ASIAN NEWS

#### China's smaller cities fueling \$9.7T consumer mkt.

Spending power in the world's most populous nation may just be revving up. China's smaller cities will fuel a \$9.7 trillion consumption market by 2030, according to Morgan Stanley. To put that spending power in perspective, it's more than double the current size of Japan's economy and not far behind China's annual output.

#### Noble stock sinks as ex-CEO sues founder

Singapore mainboard-listed Noble Group's stock sank on Wednesday as news broke of a lawsuit filed by former CEO Yusuf Alireza against company founder and chairman emeritus Richard Elman over HK\$450 million (S\$79.2 million) in shares related to alleged contract breaches.

#### Ascott secures 1st 3 properties under co-living brand

CapitaLand's serviced residence unit, The Ascott, said on Thursday it has secured contracts to manage its first three properties under lyf, its latest brand and co-living concept. The properties are located in its two key markets, China and Singapore.

#### Toyota considered acquisitions for self-driving tech

Toyota Motor Corp may consider mergers or acquisitions to procure new automotive technologies, including self-driving technologies, the company's president said on Wednesday, adding that it had to compete more aggressively against its rivals.

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## MORE ASIAN NEWS

### SG: mm2 Asia buys 50% in Golden Village Cinema

SG-listed film and television content producer mm2 Asia has announced the acquisition of a 50% stake in Golden Village Cinema for \$133.5M. Mm2 has signed the conditional sale agreement to purchase Village Cinema's 50% stake in Dartina Development Limited, a HK-based company which holds the Golden Village Cinema business

### Alibaba urges brands to 'digitise' their entire business

Alibaba is persuading brand operators to work cooperatively by creating a fully digitised omni-channel model to drive the retail business to the next phase. This concept will adopt advanced cloud computing technologies including big data and AI to study data from various aspects of the brand.

### China-led AIIB boasts rising lending power

The China-backed AIIB expects to more than double its lending power for regional projects over the next five years, a top executive said, denying it was an arm of the Communist Party. The brainchild of Chinese President Xi Jinping, the multilateral financial institution was launched in January 2016 to counter Western dominance of the World

## TODAY'S TOP GLOBAL NEWS

### Fed raises key rate, signals one more hike in 2017

The US Federal Reserve raised its benchmark interest rate by a quarter point to 1.0-1.25% on Wednesday, June 14, and signaled another increase remains likely this year, despite the recent spate of weak economic data. "The economy is doing well, is showing resilience," Yellen said.

### Barclays, HSBC said among banks on Santander sale

Banco Santander SA is lining up a raft of banks, including Credit Suisse Group AG and Deutsche Bank AG, to underwrite its planned 7 billion euro (\$7.8 billion) capital increase, people with knowledge of the matter said. It has also picked Barclays Plc, Banco Bilbao Vizcaya Argentaria, HSBC Holdings and CaixaBank, to participate.

### US considers restricting Chinese investment in AI

The US appears poised to heighten scrutiny of Chinese investments in Silicon Valley. Of particular concern is CN's interest in artificial intelligence and machine learning. The worry is that cutting-edge technologies developed in the US could be used to bolster China's military capabilities.

### Telia to weigh stake sale in Russian carrier MegaFon

Telia AB is considering a plan to reduce its stake in Russian telecommunications service provider MegaFon PJSC as the Swedish carrier focuses on its home region. No final decisions have been made, and Telia could decide to retain the stake for long.

### Verizon completes \$4.48B purchase of Yahoo

Verizon Communications, the wireless powerhouse that was a cluster of local phone companies when two Stanford University graduate students began compiling the Yahoo web directory in 1994, completed its purchase on Tuesday of Yahoo's internet business for \$4.48 billion.

### 161 GW of renewable energy built in 2016

A record 161 GW of renewable energy capacity was installed worldwide in 2016, a global status report said, while reductions in the cost of the technology lowered investments by 23 percent. Solar installations accounted for 47% of the added capacity, followed by wind power at 34% and hydropower at 15.5%.

### Economic Calendar

Date	Release
06.18.2017	PH: BoP Overall
06.18.2017	PH: Budget Balance
06.22.2017	PH: BSP Overnight Borrowing Rate
06.22.2017	PH: BSP Standing Overnight Deposit Rate
06.29.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar