

The Daily Dispatch

June 29, 2017
TODAY'S TOP NEWS

IT-BPO firms buck move to scrap perks

The information technology and business process outsourcing (IT-BPO) industry has expressed strong opposition to the government's planned removal of its incentives, saying such move will not only put its competitiveness in peril, but will also derail its rosy growth trajectory.

DMPL, Fresh Del Monte partner for new products

Settling their long-standing dispute, Del Monte Pacific Ltd and Fresh Del Monte Produce Inc have agreed to enter into a partnership to launch new products. DMPL said the partnership involves the expansion of its refrigerated offerings sold across all distribution and sales channels, and a new retail food and beverage concept.

STI selling 20% stake in pre-need company

STI Education Services Group Inc. is selling its 20 percent stake in Maestro Holdings Inc., which owns pre-need firm PhilPlans First Inc., to allow it to focus on its education business. The company did not disclose the amount to be generated from the sale of shares and who would buy its disposed stake.

PHL studying \$500M bond issue for OFW in Saudi, US

THE GOVERNMENT is looking to issue bonds to overseas Filipino workers (OFWs) in Saudi Arabia and the United States with a \$500 million initial target, the National Treasurer said last week.

JG Summit sets P48.2-B spending plan

JG Summit President Lance Y. Gokongwei told reporters on Tuesday the conglomerate is setting aside P48.2 billion to expand its business. This is higher than the P41.9 billion spent in 2016 that excludes the P33.4 billion in additional investment to acquire a stake in Global Business Power Corp. and Australia's Consolidated Snacks Pty Ltd.

Philippine Stock Market Update



Previous Close:

7,857.18

Open:

7,877.35

52-Week Range:

6,499.00 - 8,118.44

Foreign Exchange

As of June 28, 2017

US Dollar	Philippine Peso
1	50.550

PDST-R2 Rates

As of June 28, 2017

Tenor	Rate
1Y	2.8572
3Y	3.8584
5Y	4.0000
7Y	4.7589
10Y	4.6255
20Y	5.0350

Daily Quote

"Build something 100 people love, not something 1 million people kind of like."

-Brian Chesky, cofounder of Airbnb

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MORE LOCAL NEWS

Bumolo resources could extend Padcal mine life

PHILEX Mining Corp. said resources discovered in its Bumolo porphyry copper-gold project in Benguet may stretch its Padcal mine's life to two more years to 2024 from its earlier projected end in 2022.

Recovery in nickel prices, weather to boost GFNI

GFNI President Dante R. Bravo said the company is looking at achieving a "much better" net income by year end compared to the P37.5 million in 2016 -- a drop from P1.11 billion in 2015 -- as the firm registered low production and record-low nickel prices pulled down the performance of nickel miners last year.

CSOs urge ERC to reject Meralco's contracts

Members of civil society and representatives of consumers and coal-affected communities marched to the Energy Regulatory Commission (ERC) Office in Pasig to file petitions of intervention regarding Meralco's applications for Power Supply Agreements (PSAs) with seven coal-fired power plants across the country.

Tougher reporting rules for banks set

Amid recent cyber security concerns plaguing banking clients, the Bangko Sentral ng Pilipinas is issuing a circular providing new guidelines on reporting standards that banks should observe. The circular, which is still unnumbered, will take effect on Jan. 1, 2018.

JG seeks contractor for petrochem project

JG Summit Holdings Inc., the investment company of industrialist John Gokongwei, is seeking an engineering, procurement and construction contractor for its \$700-million five-segment petrochemical project expansion, a top executive said Wednesday.

SM set to reopen Cherry in Antipolo

SM Prime Holdings Inc. is set to open SM Cherry Antipolo on June 30, making it the group's 63rd shopping mall in the country. Situated along the bustling Marcos Highway, SM Cherry Antipolo offers 27,000 square meters of gross floor area, bringing the group's total retail footprint to 9.1 million sq m in the Philippines.

Govt offers compromise on toll row

The DOTR is open to allowing the group of MPIC to implement toll adjustments on a staggered basis to resolve an arbitration case filed in Singapore. "It would be settled soon," Transport Secretary Arthur Tugade said, when asked about the updates on the arbitration case filed by NLEX Corp. and Cavitex Infrastructure Corp.

TODAY'S TOP ASIAN NEWS

Ringgit is easily Asia's strongest currency

Malaysian assets are back in favor as investors focus on encouraging signs of an economic turnaround instead of a scandal that has touched the top of government and as far as Hollywood. The stark shift means that Prime Minister Najib Razak may call an early election to cement his hold on power.

India gives go-ahead to sell gov't-owned Air India

India's cabinet approved plans to sell a stake in state-run Air India as the debt-saddled carrier struggles to compete with low-cost rivals in one of the world's fastest-growing airline markets. The cabinet had given "in principle approval for the disinvestment" of the flagship carrier.

LeEco admits failure to use funds rightly

The billionaire founder of Chinese tech firm LeEco has admitted that the company's cash problem is "more severe than expected", after a 16.8 billion yuan (US\$2.47 billion) investment secured at the beginning of the year failed to turn the business around.

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MORE ASIAN NEWS

Beijing's curbs on M&A deals

Beijing's tough measures to curb capital outflows have slowed down approvals of deals to acquire overseas assets but this will be positive for Chinese companies' outbound M&A in the long run, according to EY China chairman Albert Ng Kong-ping.

Toshiba suing WD for interfering in sale of unit

Japan's Toshiba Corp said on Wednesday (June 28) it is filing a lawsuit against joint venture partner Western Digital Corp. Toshiba is claiming 120 billion yen (\$1.48 billion) in damages, saying in a statement that Western Digital is interfering with the sale of its memory chip division.

CH is about to bury Elon Musk in batteries

As Elon Musk races to finish building the world's biggest battery factory in the Nevada desert, China is poised to leave him in the dust. Chinese companies have plans for additional factories with the capacity to pump out more than 120 gigawatt-hours a year by 2021, according to a report published by Bloomberg Intelligence.

TODAY'S TOP GLOBAL NEWS

Deutsche faces possible \$60M derivatives loss

Deutsche Bank AG, the German lender seeking to overhaul how it manages risks, made a bet on U.S. inflation that puts the firm on course to lose as much as \$60 million, people familiar with the matter said. The trade used derivative products tied to U.S. inflation, said the people, who requested anonymity.

Philips to buy Spectranetics for \$2.16b

Dutch healthcare company Philips has agreed to buy U.S.-based Spectranetics Corp. for \$2.16b including debt, as it expands its image-guided therapy business. Spectranetics uses techniques including lasers and tiny drug-covered balloons to clean the insides of veins and arteries that have become clogged due to heart disease.

Dow-DuPont merger gets Canada's go-ahead

Canada's Competition Bureau said it would allow a planned merger between DuPont and Dow Chemical Co after both firms agreed to dispose of some assets. The announcement is similar to those made by U.S. and European Union regulators, who also allowed the merger to go ahead as long as the firms made divestitures they already have outlined.

Accenture ups stakes with \$1.8b acquisition plan

Accenture Plc plans to spend \$1.8 billion on acquisitions this year—more than what its three biggest Indian information technology (IT) rivals combined spent in the past three years—as it seeks to accelerate growth.

Facebook boasts 2B users, doubling since 2012

Facebook said that 2 billion people are regularly using its flagship service, marching past another milestone in its growth from a college curiosity in the United States to the world's largest social media network.

Staples to sell for \$6.9B

As online shopping claims ever more casualties, Staples, a mainstay of office supplies, has agreed to sell itself to a private equity firm. The deal is the latest instance of a once-prominent name in retailing being laid low by the powerful forces reshaping how people shop.

Economic Calendar

Date	Release
06.15.2017	PH: Overseas Remittances YoY
06.19.2017	PH: BoP Overall
06.22.2017	PH: Overnight Borrowing Rate
06.29.2017	PH: Money Supply M3 SRF YoY
06.30.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar