

The Daily Dispatch

July 11, 2017
TODAY'S TOP NEWS

Federal Land, Japan firms tie up for BGC project

Federal Land Inc., the real estate unit of George Ty's GT Capital Holdings Inc., has brought to Manila two Japanese giants for the joint development of an iconic Japanese-inspired mixed use project within its 10-hectare Grand Central Park in Bonifacio Global City.

Peso hits fresh low

The peso started the week on a losing note, shedding 11.5 centavos to hit a fresh low in almost 11 years. The local currency closed at 50.695 from Friday's close of 50.58 to \$1. It opened weaker at 50.59 and closed at an intraday low of 50.695 to \$1. This was the lowest since the peso closed at 50.945 to \$1 on Aug. 30, 2006.

Removal of tax perks may lead to HQ relocation

Regional headquarters of multinational companies in the Philippines may shut down or relocate to other countries once looming changes in the regional operating headquarters (ROHQ) tax rate are implemented under the first package of the tax reform program, putting thousands of jobs at risk.

BMW eyes Philippines as regional auto parts hub

German car maker BMW plans to ramp up imports from the Philippines as it seeks to make the country the group's hub for automotive parts in the region. "I met the BMW Group here and they will be sourcing more automotive electronic parts from the Philippines as part of its ASEAN strategy," Trade Secretary Ramon Lopez said.

ICTSI signs MOU to dredge Congo River for \$35M

PORT operator International Container Terminal Services Inc. (ICTSI) has inked a P2.02-billion (\$35-million) memorandum of understanding (MOU) with a dredging contractor to deepen the Congo River.

Philippine Stock Market Update



Previous Close:

7,788.06

1 Yr Return:

1.04%

Open:

7,774.91

YTD Return:

13.31%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of July 10, 2017

US Dollar	Philippine Peso
1	50.823

PDST-R2 Rates

As of July 10, 2017

Tenor	Rate
1Y	3.2857
3Y	4.0203
5Y	4.5554
7Y	4.8714
10Y	5.0232
20Y	5.1500

Daily Quote

"Happiness is not a goal. It's a by-product of a life well-lived."

-Eleanor Roosevelt

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MORE LOCAL NEWS

PH seeks additional review in Thai cigar dispute

The Philippines has asked WTO for another review of Thailand's compliance with its ruling five years ago directing the latter to correct the unfair tax treatment it imposed on cigarettes imported from the Philippines.

PH, JPN sign scholarship deal for gov't employees

For the 15th year, the Japan International Cooperation Agency again granted the Philippines ¥264 million in aid for human resource development of Filipino government employees. Among the courses the chosen scholars will take are infrastructure and industry development, public policy, financial reforms, as well as promotion of SMEs.

FDI net inflows down 61.1% to \$874M in April

Foreign direct investments (FDIs) hit net inflows of nearly \$900M in April 2017, but were still down 61.1% compared to the same month in 2016, according to the Bangko Sentral ng Pilipinas (BSP). The drop was due mainly to net equity capital investments, which amounted to \$70M in April 2017 from \$825M in April 2016.

Uy bullish on prospects for Cebu resort-casino

THE Udenna Group of businessman Dennis A. Uy is set to complete the funding requirements for an integrated resort and casino in Cebu, which is expected to turn profitable in the first full year of operations. "The debt component is given by China Bank. They are very supportive," Mr. Uy said in an interview.

Damosa Land prepares new mixed-use Samal project

Damosa Land, Inc. (DLI), the real estate arm of Floirendo-owned Anflo Management and Investment Corp., plans to break ground by the end of the year for its mixed-use project in Samal Island. DLI said they are now eager to pursue the project "because of the news about the bridge to be built that will connect" Samal with Davao.

GMR-MWIDE may bid for Clark airport expansion

Listed Megawide Construction Corp., along with Bangalore-based airport operator GMR Infrastructure Ltd., is open to joining the bidding for the P12.55-billion Clark International Airport Expansion Project which the government will offer to investors this month, a company executive said.

TODAY'S TOP ASIAN NEWS

NetLink set to be biggest IPO in SG in six years

Fibre optic cable owner NetLink NBN Trust has priced its initial public offering (IPO) at 81 Singapore cents a share, which works out to a dividend yield of 5.43 per cent, according to the prospectus, released on Monday evening (July 10).

Singapore 'won't be buffeted' by Cosco bid

The gigantic ambition of China's Cosco Shipping Holdings - underscored by its massive US\$6.3 billion (S\$8.7 billion) bid to buy smaller rival Orient Overseas International (OOIL) - is unlikely to affect the ports in Singapore in a significant way, said analysts.

CH may have new property debt king after Sunac deal

As some Chinese tycoons slow acquisitions to focus on digesting their massive debt loads, one property billionaire is moving the other way. Sunac China Holdings Ltd. Chairman Sun Hongbin over the past year oversaw an acquisition spree that culminated with Monday's \$9.3 billion purchase of assets from Dalian Wanda Group Co.

RB Capital mulls sale of Farrer Park hotel

RB CAPITAL is considering sale of its Park Hotel Farrer Park, after receiving unsolicited offers since the hotel began operations just about a month ago. Kishin RK, chief executive of RB Capital, said the 300-room hotel was recently valued at about S\$390 million, or S\$1.3 million per room.

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MORE ASIAN NEWS

Singapore state investor turns cautious

Singapore's sovereign wealth fund GIC Pte Ltd, among the world's biggest investors, said it was turning cautious and expected returns to slow over the next decade, given high valuations, uncertainty over monetary policy and modest economic growth.

'Buy buy buy' is no longer mantra of CH tourists

They're still coming in droves - but no longer buying in spades. After propping up sales for overseas retailers over the past decade with a shopping-driven tourism agenda, Chinese visitors are no longer returning home with suitcases bulging like before.

TODAY'S TOP GLOBAL NEWS

Snap shares fall below \$17 IPO price for 1st time

Snap Inc (SNAP.N) shares slipped below their initial public offering price of \$17 for the first time on Monday, signaling waning investor confidence in the social media company's growth potential as it faces fierce competition.

Elliott proposes \$18.5B Oncor deal to top Buffett

Elliott Management Corp, the largest creditor of the bankrupt parent of Oncor Electric Delivery Co, unveiled a plan on Monday to best Berkshire Hathaway Inc's (BRKa.N) deal for the Texas utility with a bid worth \$18.5 billion, including debt.

Abercrombie ends talks with potential buyers

Shares of Abercrombie & Fitch Co plunged 21% and dragged down other stocks in the retail sector as it terminated talks over a potential sale. Investors saw Abercrombie's failure to sell itself as yet another blow to a retail sector already struggling to cope with changing consumer tastes and growing pressure from online retailers.

Amazon up ahead of Prime Day

Amazon.com (AMZN.O) shares rose on Monday ahead of the world's largest online retailer's own version of Black Friday, while its new service to help set up 'smart homes' weighed on rival Best Buy Co Inc (BBY.N).

Global demand for food products to slow

Global demand for food and agriculture products is projected to slow "considerably" over the next decade, mainly due to weakening consumption in China, the UN food agency said Monday, July 10. A slowdown in growth in China, where incomes over the outlook period are projected to flatline, is driving down spending on foodstuffs.

Will Bitcoin tear itself apart?

It's time for bitcoin traders to batten down the hatches. The notoriously volatile cryptocurrency, whose 160 percent surge this year has captivated everyone from Wall Street bankers to Chinese grandmothers, could be headed for one of its most turbulent stretches yet.

Shell plans to spend \$1B/yr on clean energy by 2020

Royal Dutch Shell Plc plans to spend as much as \$1 billion a year on its New Energies division as the transition toward renewable power and electric cars accelerates. Shell sees opportunities in hydrogen fuel-cells, liquefied natural gas and next-generation biofuels for air travel, shipping and heavy freight.

Economic Calendar

Date	Release
07.02.2017	PH: Nikkei Philipines PMI Manufacturing
07.04.2017	PH: CPI YoY
07.06.2017	PH: Foreign Reserves
07.10.2017	PH: Trade Balance
07.16.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar