

The Daily Dispatch

July 12, 2017
TODAY'S TOP NEWS

Trade deficit widens 23% in May

The country's trade deficit widened 23 percent in May as increased demand for capital goods caused inbound shipments to continuously outpace exports, the Philippine Statistics Authority (PSA) reported yesterday. Exports rose 13.7 percent to \$5.489 billion last May.

Central bank stays calm as peso nears 51:\$1 mark

The BSP is not alarmed as the peso nears the 51 level saying the local currency is just reflecting market conditions and underlying fundamentals. "We have seen nothing particularly unusual about this, it's the nature of the exchange rate to fluctuate... We are there, we are managing excessive volatility," BSP Governor Nestor said.

Maybank launches FinTech Sandbox

Maybank has launched a regional, collaborative FinTech Sandbox to provide opportunities for start-ups and innovators to develop and test new ideas. The Maybank Sandbox is a complete FinTech ecosystem that provides all the essential components for free, to fast-track the growth of FinTech developers across the region.

PSE to lift 2GO trade suspension today

The Philippine Stock Exchange (PSE) is lifting the suspension on the trading of shares of 2GO Group, Inc. at 10:00 a.m. today, two days after halting trade in the stock after the new management found huge discrepancies in the logistics firm's balance sheet and income statement.

Aboitiz to get 100% ownership of Negros solar project

Aboitiz Power Corp., through its renewable-energy (RE) arm Aboitiz Renewables Inc. (ARI), will soon assume full ownership of a 59-megawatt (MW) solar-power project in San Carlos City, Negros Occidental.

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 11, 2017

US Dollar	Philippine Peso
1	50.754

PDST-R2 Rates

As of July 11, 2017

Tenor	Rate
1Y	2.8865
3Y	4.0142
5Y	4.1932
7Y	4.8679
10Y	5.0232
20Y	5.1687

Daily Quote

"When everything seems to be going against you, remember that the airplane takes off against the wind, not with it."

-Henry Ford

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MORE LOCAL NEWS

LBC to refile share sale documents

LBC Express Holdings Inc., a logistics company controlled by the Araneta family, said it will refile with the SEC a registration statement for a P1.5-billion share sale. LBC Express said in a disclosure to the stock exchange its board of directors approved during a meeting on July 10 the re-filing with the SEC.

SEC clears Chelsea's P8-b public offering

The SEC approved the P8-billion initial public offering of Chelsea Logistics Holdings Corp., a company led by Davao City-based businessman Dennis Uy. SEC commissioner Ephyrus Luis Amatong confirmed in a text message the corporate regulator gave its green light on the IPO, despite the accounting issues involving 2Go Group Inc.

55 big-ticket infra projects await ICC action

NEDA posted the list of 75 planned big-ticket infrastructure projects for the medium term last Monday, of which 55, worth P831.44 billion, are awaiting review by the ICC technical board and the Cabinet cluster.

SC asked to review NGCP expropriation by RTC

THE Social Security System (SSS), through the Office of the Government Corporate Counsel (OGCC), has asked the Supreme Court (SC) to bar the National Grid Corp. of the Philippines (NGCP) from taking over a property in Pasay City.

Shift to hybrid PPP worries FMIC

First Metro Investment Corp. (FMIC), a key player in local infrastructure financing, has expressed concern on whether the shift in the administration's preference to "hybrid" public-private partnership (PPP) from the original PPP framework would be an effective way to meet the government's aspiration for a "golden age of infrastructure."

Biz Buzz: Good news, bad news

First, the good news for Dennis Uy's 2GO logistics firm: It would seem that most of the "restatement" prompted by a due diligence audit of the firm—but only after the Davao-based businessman had taken control of it, unfortunately—pertain to "non cash items." ...

Big German firm investing \$50M in Batangas plant

Trade and Industry Secretary Ramon M. Lopez said that German firm Knauf Gips KG, the world's leading manufacturer of gypsum-based plasterboard, is setting up a \$50-million plant in Batangas, marking the start of local production for both domestic and overseas markets.

TODAY'S TOP ASIAN NEWS

Alibaba to reshape retail industry

Alibaba Group has set up a new committee led by its chief executive to better execute its "new retail" strategy—a concept driven by the integration of online, offline, logistics and data across a single value chain—one of the five new trends the Chinese e-commerce conglomerate foresees will significantly reshape the world.

WeChat Pay targets Chinese outbound travellers

WeChat Pay, a mobile payment service operated by China's second largest internet giant Tencent, will target Chinese travellers in order to expand its overseas market, Grace Yin, director of WeChat Pay's international operations, told the Rise technology conference in Hong Kong on Tuesday.

Fosun still eyeing stake in French ski resort

Chinese conglomerate Fosun is still in talks to buy a stake in French ski resorts and amusement parks operator Compagnie des Alpes and also has a few French consumer goods companies on its radar, Senior Vice-President Jim Jiannong Qian said.

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MORE ASIAN NEWS

Tiny apartments fuel self storage boom in HK

People often complain about Hong Kong's notoriously tiny apartments, but for investors like Blackstone Group LP, opportunity can be found in small places. The majority of Hong Kong's 7.4 million residents live in cramped homes, so there's a desire to find somewhere else to store non-essential belongings.

For Sale: International airline with \$8B of debt

Indian Prime Minister Narendra Modi's cabinet has signed off on a plan to sell all or part of Air India Ltd., a debt-ridden, state-run carrier with the most unusual baggage. Not surprisingly, selling even a minority stake in the loss-making, 85-year-old company isn't going to be a cakewalk.

Asia's trade bellweather hitting record highs

Global demand for new smartphone models is driving Taiwan's trade surplus and corporate revenues to record highs, underlining the strength of Asian trade even in the face of geopolitical jitters and rumors of protectionism. As a result, Taiwanese companies are posting record sales.

Huawei in partnership deal for African expats

Huawei Technologies Co said it will partner with British money-transfer operator WorldRemit Ltd to enable African expatriates to send cash home to more than 100 million users of the Chinese company's mobile-money service platform.

China's Ant Financial refiles for US approval

Ant Financial, the affiliate of China's Alibaba Group Holding Ltd that agreed to buy money transfer company MoneyGram International Inc for \$1.2 billion, has resubmitted the deal for U.S. review, people familiar with the matter said.

TODAY'S TOP GLOBAL NEWS

Three European firms join in robot ship project

Three European companies are to work on a pioneering project to build a fully automated supply ship. French offshore services company Bourbon said it had signed up with Automated Ships Ltd. in a scheme with Norway tech firm Kongsberg Maritime to build the first ship of its kind in the world.

Apple to invest \$920M in Danish data plant

Apple on Monday said it would invest six billion Danish kroner (\$920 million, 810 million euros) in a data center in Denmark, its second in the country to run entirely on clean energy.

Takata expands recall again

Takata has added an additional 2.7 million airbags to the nation's largest automobile industry recall after a new hazard was detected in testing. The company told the National Highway Traffic Safety Administration on Monday that a subset of its airbag inflators can, like other versions, rupture while deploying the bags, hurling metal shards into vehicles.

Cryptocurrencies are getting crushed

The cryptocurrency Cassandras are starting to look right. The sector has lost about a third of its market value since peaking in early June, pushing it into what traditional equity market analysts label as a bear market. Bitcoin, the largest of the digital currencies, is down about 20 percent from its peak of \$3,000, reached June 12.

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