

# The Daily Dispatch

August 25, 2017  
TODAY'S TOP NEWS

## Japan Tobacco to buy Philippine's Mighty for \$936m

In a big-bang cross-border deal, Japan Tobacco Inc is set to acquire Philippine-based tobacco firm Mighty Corp for \$936 million. The JT Group has signed agreements to acquire assets related to the tobacco business of Mighty, which includes its distribution network, manufacturing equipment, inventories and intellectual property.

## UPS upbeat on Philippines

UPS, a global logistics giant, plans to further expand its reach through partnerships and innovation to capitalize on the Philippines' growing economy. "The future is really bright for the Philippines," UPS Philippines newly appointed managing director Christopher Buono said in a briefing yesterday.

## Debt prepayments climb 35% to \$2 B

Debt prepayments by Philippine borrowers including the national government rose 35.1 percent in the first four months, resulting in the further weakening of the peso against the dollar, the Bangko Sentral ng Pilipinas (BSP) reported yesterday.

## Romualdez steps down

The president and chief executive officer of listed Benguet Corp. has decided to resign from his post due to health reasons. In a regulatory filing, the company said its board has approved the early retirement of Benjamin Philip Romualdez effective Wednesday, Aug. 23.

## CREBA backs National Land Use Act

The largest organization of real estate developers in the country has expressed support to the proposed National Land Use Act (NLUA) pending in Congress, saying its passage would provide the country a much-needed land use plan.

## Philippine Stock Market Update



Previous Close:

8,018.05

1 Yr Return:

-0.34%

Open:

8,015.68

YTD Return:

15.58%

52-Week Range:

6,499.00 - 8,106.74

Source:

Bloomberg

## Foreign Exchange

As of August 24, 2017

US Dollar	Philippine Peso
1	51.040

## PDST-R2 Rates

As of August 24, 2017

Tenor	Rate
1Y	2.8879
3Y	3.8103
5Y	4.5900
7Y	4.4689
10Y	4.6785
20Y	5.1900

## Daily Quote

"The way to get started is to quit talking and start doing."

--Walt Disney

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## MORE LOCAL NEWS

### PH real estate market struggles to keep pace

Because of restrictions to foreign ownership, the Philippine property market will continue to struggle in keeping pace with its Southeast Asian neighbors in terms of being lucrative investment havens, a data from real estate services firm JLL showed.

### PHL all set to ship more sugar to US

Some 55,000 metric tons (MT) of sugar will be exported to the United States before October 31 to fill the additional sugar quota granted by Washington to the Philippines, according to the Sugar Regulatory Administration (SRA).

### DTI studying fugitive's investment

Malacañang said on Thursday the Department of Trade and Industry (DTI) was still conducting "due diligence" on the massive investment proposals of fugitive businessman Chen You-hao, who was described as "Taiwan's most wanted economic criminal" by the Taipei Economic and Cultural Office (Teco) in Manila.

### Ayala, GE invest P1.3B to open 100 clinics by 2020

AYALA Corp. is ramping up the expansion of its health care business in partnership with US-based conglomerate General Electric Co. (GE), spending more than P1 billion through 2020 to achieve its goal of establishing a chain of community-based clinics.

### Sta. Lucia allots up to P500M to develop Silay

The La Alegria project offers 1,101 residential lots with sizes ranging from 150 square meters (sq.m.) to 300 sq.m., and 83 commercial lots, ranging from 500 sq.m. to 1,000 sq.m. Lot prices start at around P4,000 to P5,000 per sq.m.

### DD adds Bohol, Boracay to hotel portfolio

Real estate builder DoubleDragon Properties Corp. is expanding its hospitality business by bringing its Hotel 101 brand to Boracay and Bohol, two of the country's popular beach destinations. The upcoming beachfront hotels in Boracay and Bohol, to be launched later this year, will add to the three Hotel 101 properties already operating or are

### Barriers to entry now much higher for 3rd telco

THE possible entry of a third player in the telecommunications industry might be "disruptive" to the incumbents, but will need significant financial muscle to make a dent in the market, S&P Global Ratings said.

### Xianglu Dragon ready to invest in PH

Chinese conglomerate Xianglu Dragon Group confirmed Thursday its programmed investments in a petrochemical, oil refinery, cement and industrial complex in Western Pangasinan and a major tourism and IT services center and a hotel in Metro Manila that the company submitted to the Philippine Economic Zone Authority.

### PLDT's enterprise business expands

Telecom and digital services provider PLDT plans to make 2017 the best year for its enterprise business unit as it continues to post double-digit growth, on the back of the growing appetite of businesses and the government for data and digital services. PLDT said enterprise revenues grew 11% in the first half to P16.8 billion.

### Group: Expired cement rampant

A consumer advocacy group asked the DTI to investigate the alleged proliferation of substandard imported cement at local hardware stores. The National Coalition of Filipino Consumers said it submitted pieces of evidence to the Bureau of Product Standards showing that expired, mislabeled and unlabeled cement was being sold.

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## DOTr wants to make all tollways interoperable

THE DOTr said on Thursday that it intends to unify and make all toll road systems in the country interoperable for the convenience of motorists. "Digitizing payment schemes is seen as a step closer to the DOTr's goal to ultimately make all toll systems...interoperable," DOTr Secretary Arthur Tugade said in a statement.

## TODAY'S TOP ASIAN NEWS

### Mitsui Sumitomo paying US\$1.6b for S'pore insurer

Mitsui Sumitomo Insurance (MSI) is buying Singapore's largest property and casualty insurance company First Capital Insurance for US\$1.6 billion from Fairfax Financial Holdings to further cement its leading position in Asean's non-life insurance market.

### S'pore startups get leg-up to enter Thai market

Thailand is now increasingly seen as an attractive potential market for Singapore tech companies in sectors such as e-commerce, enterprise services, fintech, agritech and healthtech, according to International Enterprise (IE) Singapore.

### Baidu sells food delivery unit to startup

Baidu Inc. sold control of its unprofitable food delivery business to a startup backed by Alibaba Group Holding Ltd. as the search engine cuts back on cash-burning ventures to focus on artificial intelligence. Baidu will become a shareholder in Ele.me after the Alibaba-backed firm completes its purchase of the Waimai business.

## TODAY'S TOP GLOBAL NEWS

### Vision Fund invest \$4.4b in co-working space

WeWork Cos. agreed to a \$4.4 billion investment from SoftBank Group Corp. and its Vision Fund, part of an aggressive global expansion plan for the co-working startup. New York-based WeWork, and Japan's SoftBank have been formalizing an alliance that includes a \$500 million project in China and a joint venture in Japan.

### Cromwell REIT to list on SGX in \$1.17b IPO

Australia's Cromwell Property Group has received the Singapore Exchange (SGX)'s eligibility-to-list approval for the proposed EUR 1 billion/ S\$1.6 billion (\$1.17 billion) initial public offering (IPO) of its real estate investment trust (REIT). The listing is expected to commence at end-September 2017.

### Amazon to cut Whole Foods prices

Amazon.com Inc said it will cut prices on a range of popular goods as it completes its acquisition of Whole Foods Market Inc, sending shares of rival grocers tumbling on fears that brutal market share battles will intensify.

### Tesla's truck aims for up to 300 miles on a charge

Tesla next month plans to unveil an electric big-rig truck with a working range of 200 to 300 miles, a sign that the electric car maker is targeting regional hauling for its entry into the commercial freight market. CEO Elon Musk has promised to release a prototype of its Tesla Semi truck next month in a bid to expand the company's market.

### Uber battle escalates: investors try to intervene

A battle among shareholders over Uber escalated on Thursday as some investors sought to fight a lawsuit by shareholder Benchmark Capital against ousted CEO Travis Kalanick. "If Benchmark insists on trying to use the courts to try to take over this company, we are committed to doing everything we can to try to stop this abuse," Pishevar wrote

### Economic Calendar

Date	Release
08.15.2017	PH: Remittances YoY
08.15.2017	PH: OFW Remittances
08.16.2017	PH: GDP YoY
08.18.2017	PH: BOP Overall
08.31.2017	PH: Budget Balance

Source: Bloomberg Economic Calendar