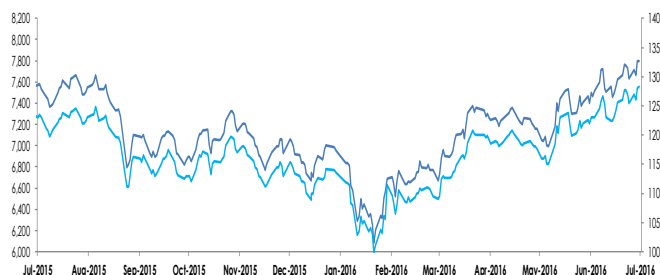


Weekly Equities Summary and Outlook:

Duterte Euphoria, Calm Post-Brexit send PSEi to all-time high

Jaime Del Puerto
Analyst

PSEi (dark blue) and FMETF (light blue)



Weekly PSEi Performance

	Current	Weekly	YTD	Weight
PSEi	7,830.35	2.63%	12.63%	-
FMETF	128.80	2.71%	13.48%	-
All Shares	4,738.03	4.30%	18.73%	-
Financials	1,763.81	2.02%	13.74%	14.42
Industrial	11,926.64	1.49%	8.12%	16.07
Holdings	1,655.75	3.42%	8.20%	39.51
Property	3,443.80	3.78%	18.12%	18.10
Services	7,647.91	1.68%	15.86%	10.88
Mining & Oil	11,289.54	4.08%	8.27%	1.02

Market Statistics (in Php bn)

	June 27 - July 1, 2016	YTD
Value Turnover	46.34	942.89
Foreign Buying	22.17	493.15
Foreign Selling	16.28	461.04
Net Foreign Buying/ (Selling)	5.89	32.11
% of Foreign to Total	41%	51%

Foreign Indices

Indices	Value	W-o-W	YTD	P/E
Dow Jones	17,949.37	3.15%	3.01%	16.67
S&P 500	2,102.95	3.22%	2.89%	17.86
FTSE 100	6,577.83	7.15%	5.37%	17.12
DAX	9,776.12	2.29%	-0.30%	12.39
Nikkei	15,682.48	4.89%	-10.13%	15.52
Hang Seng	20,794.37	2.64%	-5.11%	11.46
Shanghai Composite	2,932.48	-7.21%	-17.14%	13.46
PSE	7,830.35	147.78%	12.63%	19.99

Outlook: We expect the market to correct after reaching an all-time high for the year. The market may lose steam this week as the "Duterte euphoria" ebbs after his inauguration.

The PSEi rose 2.63% last week to 7,830.35 (on close) as investors picked up bargains post-Brexit sell-off during the other week. The inauguration of President Duterte also became a catalyst for the market to reach 7,830.35 on Friday.

Year-to-date, the index gained 12.63%. Foreigners were net buyers during the week amounting to Php5.89bn (\$125mn); year-to-date foreign inflow was at Php32.11bn (\$683mn). SMPH, MBT, URC, SM and BDO were the most bought stocks for an aggregate amount of Php2.41bn.

Macro News: The Indonesian government halted permit issuance to all "flagged" vessels sailing to the Philippines due to maritime piracy and kidnapping in the Sulu Sea. The Philippines heavily relies on Indonesia for its coal requirements (68% of the 22mn metric tons coal demand by the Philippines came from Indonesia). This was positive for Semirara Mining and Power Corp. which is the country's biggest coal miner, supplying 80% of the country's 22m coal consumption.

Meanwhile, the Bureau of Customs collected Php37.5bn in June, up 19% year-on-year based on preliminary figures. In the first three months, collections fell 2% to Php90.5bn on weaker commodity prices. BOC is tasked to collect Php498.7bn, a 35.9% increase year-on-year.

Imports rose 29% in April to \$6.53bn on the back of growth in industrial machinery (+74%), electronics (70%), and telecom equipment (+73%). For the first four months, imports surged 13.5% to \$25.1bn. Trade balance was at a deficit of \$2.28bn in April. For the first four months, trade balance was at \$7.8bn deficit.

Loan growth (net of RRP) of commercial banks rose 17.7% in May from 15.6% in April. Loans for production increased 17.9% while consumer loans jumped 16.8%. M3 expanded by 13.5% year-on-year to Php8.66tn.

Corporate News: GTCAP increased its stake in Profriends to 51% from 22.7%. The transaction was valued at Php8.76bn, similar to the initial stake that was bought last year.

JG Summit (JGS) acquired a 22% stake in Global Business Power from Orix at Php8.6bn. The new ownership structure is now as follows: Beacon/Metro Pacific (56%), Meralco (22%) and JGS (22%).

President Duterte's order during his first cabinet meeting was the cancellation of online gambling licenses, citing its negative effects to the poor. This led to the slump in Philweb (WEB) and Leisure and Resorts World Corp (LR) shares.

8990 Holdings will launch a high-rise residential tower along EDSA corner Banahaw Street. It will have 5,207 units and has a sales value of Php7.2bn. Megawide will construct the tower with a contract value of Php3.6bn.

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,341.35	1.95%	26.41%
Nickel (per metric tons)	9,970.00	10.53%	13.04%
Copper (per lbs)	221.70	4.77%	3.07%
WTI (per barrel)	48.99	2.83%	32.26%

Index Performer (Year-to-date; 2016 PE)								Index Performer (Week-on-Week)							
Best				Worst				Advances				Declines			
Stock	Price	% Chg	PE	Stock	Price	% Chg	PE	Stock	Price	% Chg	PE	Stock	Price	% Chg	PE
PCOR	11.14	59%	12.50	EMP	7.25	-19%	14.49	BLOOM	6.64	22%	57.46	AGI	14.80	-5%	9.66
SMC	78.35	57%	-	ICT	61.50	-13%	17.57	SCC	125.10	7%	11.52	GTCAP	1,440.00	-2%	15.64
BLOOM	6.64	46%	57.46	EDC	5.52	-11%	10.38	SMPH	27.30	6%	28.36	EDC	5.52	-1%	10.38
AEV	77.95	35%	19.57	DMC	12.60	-9%	11.34	MPI	6.97	6%	16.72	MER	310.00	-1%	20.39
MPI	6.97	34%	16.72	SCC	125.10	-8%	11.52	TEL	2,150.00	5%	16.58	ICT	61.50	0%	17.57

Top Weekly Net Foreign Buying/Selling (Index Components, in Php mn)			
Net Foreign Buying		Net Foreign Selling	
Stock	Amount	Stock	Amount
SMPH	789.92	AGI	-187.62
MBT	523.94	ICT	-105.14
URC	374.13	EMP	-44.72
SM	363.14	MER	-38.73
BDO	355.66	RLC	-24.87

Market Calendar						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1-Jul	2-Jul
					US: ISM Manufacturing	
					CH: PMI	
					US: Construction Spending	
3-Jul	4-Jul	5-Jul	6-Jul	7-Jul	8-Jul	9-Jul
		US: Factory Orders	US: Trade Balance		US: Non-farm payrolls	
		PH: Inflation			US: Unemployment rate	
10-Jul	11-Jul	12-Jul	13-Jul	14-Jul	15-Jul	16-Jul
CH: Inflation					CH: GDP	
					PH: OFW Remittances	
17-Jul	18-Jul	19-Jul	20-Jul	21-Jul	22-Jul	23-Jul
24-Jul	25-Jul	26-Jul	27-Jul	28-Jul	29-Jul	30-Jul
				US: FOMC Rate Decision		
31-Jul						

Sources: PSE data, Bloomberg, BSP