

# Weekly Equities Summary and Outlook:

*PSEi fell on profit taking; better-than-expected US jobs report to buoy market*

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PSEi (dark blue) and FMETF (light blue)



Weekly PSEi Performance

	Current	Weekly	YTD	Weight
PSEi	7,771.52	-0.75%	11.79%	-
FMETF	127.90	-0.70%	12.69%	-
All Shares	4,713.90	-0.51%	18.13%	-
Financials	1,765.15	0.08%	13.83%	14.48
Industrial	11,750.38	-1.48%	6.52%	15.88
Holdings	1,647.62	-0.49%	7.67%	39.84
Property	3,418.88	-0.72%	17.26%	18.30
Services	7,627.04	-0.27%	15.54%	10.85
Mining & Oil	11,333.17	0.39%	8.69%	0.99

Market Statistics (in Php bn)

	July 4 - July 8, 2016	YTD
Value Turnover	35.72	978.61
Foreign Buying	17.35	509.88
Foreign Selling	14.43	474.54
Net Foreign Buying/ (Selling)	2.92	35.34
% of Foreign to Total	44%	50%

Foreign Indices

Indices	Value	W-o-W	YTD	P/E
Dow Jones	18,146.74	1.10%	4.14%	16.89
S&P 500	2,129.90	1.28%	4.21%	18.10
FTSE 100	6,590.64	0.19%	5.58%	16.88
DAX	9,629.66	-1.50%	-1.79%	12.23
Nikkei	15,106.98	-3.67%	-13.43%	15.67
Hang Seng	20,564.17	-2.35%	-6.16%	11.54
Shanghai Composite	2,988.09	1.90%	-15.57%	13.67
PSE	7,771.52	-0.75%	11.79%	19.82

**Outlook:** We expect the market to test the 7,900 levels this week after the US posted a better-than-expected jobs report.

The PSEi fell 0.75% last week to 7,771.52 as investors locked in their gains after the PSEi rose 7,846. Friday's US job report showed an added 287,000 jobs in June, exceeding economists' expectations by more than 100,000 jobs. This will fuel the optimism in the market for the week which may wane by end of the week as investors take profit.

Year-to-date, the index gained 11.79%. Foreigners were net buyers during the week amounting to Php2.92bn (\$62mn); year-to-date foreign inflow was at Php35.34bn(\$751mn). MEG, MBT, SMPH, TEL and BDO were the most bought stocks for an aggregate amount of Php1.19bn.

**Macro News:** Inflation rose 1.9% in June from 1.6% in May. This is within the BSP target range of 1.5-2.4% for the period. This was mainly driven by food prices rising 2.9% during the period and higher electricity prices. Year-to-date, inflation averaged at 1.3%, below the BSP's forecast of 2% for 2016.

Tourist arrivals rose 8% in May to 445k, with visitor receipts increasing 19% year-on-year at Php20bn. For the first five months, arrivals rose 13% to 2.52mn. The government is targeting 6.5mn tourist arrivals for 2016, up 21% year-on-year.

Foreign exchange reserves were at \$83.97bn in June, slightly higher from \$82.93bn registered in May on higher gold valuations and BSP foreign exchange operations. BSP expects total reserves to reach \$82.7bn this year.

**Corporate News:** AC's GN Power Kauswagan reched a financial close for its 4 x 135MW coal-fired plant expansion amounting to \$1bn. This was funded through 70% debt and 30% equity. The construction of the first three units commenced, with Unit 1 set to be completed by 4Q17.

Aboitiz Power, through Aboitiz Renewables, acquired 100% equity interest in Aseagas Corporation for Php605mn from Aboitiz Equity Ventures. This is in line with Aboitiz Power's target to increase its attributable net sellable capacity to 4,000MW by 2020.

Meanwhile, Century Pacific Group, Inc. sold 118mn of Century Pacific Food, Inc. (CNPF) shares via overnight equity placement at Php22.00/sh.

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,366.33	1.86%	28.77%
Nickel (per metric tons)	9,880.00	-0.90%	12.02%
Copper (per lbs)	211.90	-4.42%	-1.49%
WTI (per barrel)	45.41	-7.31%	22.60%

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
SMC	78.25	57%	-	EMP	7.35	-18%	15.27	EMP	7.35	4%	15.27	PCOR	10.28	-7%	11.61
BLOOM	6.78	49%	57.36	ICT	62.00	-12%	17.96	BLOOM	6.78	4%	57.36	AP	44.00	-4%	16.84
PCOR	10.28	47%	11.61	EDC	5.50	-11%	10.45	MBT	90.90	2%	12.64	URC	200.00	-4%	27.21
AEV	78.00	35%	19.70	SCC	121.90	-11%	11.29	RLC	30.10	2%	16.58	FGEN	24.05	-3%	9.44
MPI	6.82	31%	17.19	DMC	12.50	-9%	11.41	MEG	4.65	1%	11.85	SCC	121.90	-3%	11.29

Top Weekly Net Foreign Buying/Selling (Index Components, in Php mn)

Net Foreign Buying		Net Foreign Selling	
Stock	Amount	Stock	Amount
MEG	391.23	URC	424.45
MBT	305.43	AC	420.73
SMPH	285.42	AP	247.11
TEL	117.46	ICT	199.83
BDO	97.00	AEV	124.44

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