



PSEi rallied +0.71% led by TEL (+9.13%), GLO (+5.58%) and SMC (+5.80%) as the companies agreed to a \$1.5-billion deal wherein the latter will sell its telecom assets. **PSEi current support 7295/7274. However if broken, may retest 7000.**

The **NYSE 225** +1.39% on hopes that the BOJ will delay a sales tax hike and a weaker yen after Fed Reserve Chief Yellen hinted at a looming Fed rate increase (at least one).

US Markets closed for Memorial Day.

BDO approved cash dividend P1.094 billion or P0.30/sh, as of record June 15, payable June 27.

BDO 2016 Net Income guidance at P26 billion (from P25 billion in 2015), 12.5 - 13% ROE. 1Q16 Net Income -11% to P5.5 billion lower trading and foreign exchange gains (-58% to P1.5 billion)

MPI to acquire additional 25% (to total 75%) in Beacon Electric from subsidiary TEL's PCEV for P26.2 billion

Beacon owns 35% of MER and 56% of GTCAP's power generation company GBPC. Last Friday, MPI gained control of GBPC in a P22.06 billion deal. Proceeds to partially fund TEL's acquisition of 59% equity interest in SMC's telco assets. MPI will pay TEL P17 billion in cash and balance of P9 billion in installments over the next four years.

SMC fetched P70 billion for telco assets, Vega Telecom

SMC will be paid P52.08 billion and P17.02 billion of liabilities will be assumed. Vega owns 87% stake in Bell Telecommunications, Eastern Telecom Philippines Inc., Express Telecom and Tori Spectrum. They will pay P897 million more for New Century Telecoms Inc. and eTelco, Inc.

Maynilad (MPI, DMC) to spend ~P42 billion from 2016-2018 to improve and expand water and wastewater services in west zone concession

P21 billion for water projects, P20 billion for sewage and sanitation. Maynilad has filed a claim for P3.44-billion sovereign guarantee for revenue losses (Jan 2013 - Feb 2015); incurring additional P208 million loss for every month of delay.

ALI-Mercado General Hospital partnership opened first QualiMed hospital (105 beds) in Bulacan.

Set to open are QualiMed Clinic in Cebu IT Park, Cebu City and QualiMed Clinic in BGC Taguig City (3Q16), QualiMed Hospital in Sta. Rosa, Laguna (1Q17), base hospitals (200-300 beds) in Balintawak (2018) and South Arca (2019)

The partnership is investing ~P5 billion (P400-430 million/hospital and P10-12 million/clinic) to expand its network by 10 hospitals and 10 clinics by 2020.

PSEi	7,464.32 +52.66 +0.71%
Day Range	6,610.89 - 6,674.70
52wk Range	6,084.28 - 7,697.33
Advances - Declines - Unchanged	86 - 104 - 45
Volume (shares)	2.664 billion
Value (Php)	15.385 billion
Block Sale Value (Php bn)	8.33, of which MPI 7.9
Foreign Buying (Php)	3.66 billion
Foreign Selling (Php)	3.19 billion
Net Foreign B(S) (Php)	469 million

Most Active	Change	Advancers / Decliners	Change
TEL	+9.13%	TEL	+9.13%
MBT	+1.18	SMC	+5.80%
MPI	+1.00%	GLO	+5.58%
JGS	+0.54%	ICT	+2.99%
AC	-0.06%	AEV	+2.77%
ALI	-0.14%	URC	-1.64%
MER	-0.27%	BDO	-1.25%
SECB	-0.31%	SMPH	-0.81%
URC	-1.64%	RLC	-0.34%
SM	-1.66%	MER	-0.26%

WORLD INDICES		
Dow Jones	17,873.22	+0.25%
S&P 500	2,009.06	+0.43%
NYSE 225	17,068	+1.39%
SSEC	2822.45	+0.05%

CURRENCIES (USD:)		
PHP	46.72	
JPY	111.18	
EUR	0.90	
CNY	6.58	

COMMODITIES		
WTI Crude (USD/bbl.)	49.50	
Brent Crude (USD/bbl.)	49.76	
Gold (USD/oz.)	1,209.45	
Copper (USD/lb.)	209.80	
LME Nickel - Cash Buyer (USD/tonne)	8,370	
Laterite Nickel Ni 1.5%, Fe15-25% (USD/wmt)	20 - 21	
Laterite Nickel Ni 1.8%, Fe15-20% (USD/wmt)	34 - 36	

RLC to soon debut a 5 to 10-year, 1,300-unit master planned township in Chengdu, China

After winning a bid with 10 participants, RLC bought the right to use the 8.5ha property. RLC says real estate market is “quite good” in China, noting that developers get full payment during pre-selling activities vs. staggered method in the Philippines.

Government infra spending +52.8% to P104.8 billion in 1Q16

This accounted for 16.8% this year's program; equivalent to 3.21% of GDP (vs. 2016 target of 5%). DPWH has already obligated 38.13% of budget allocations in 1Q16.

REFERENCES Philippine Dailies, PSE, Bloomberg, Reuters, DA Market Securities, Inc. **DISCLAIMER** This report is provided for informational purposes only and is not intended to solicit buying and selling of securities or to participate in any particular trading strategy. DA Market Securities, Inc. (DMSI) makes reasonable effort to use reliable, comprehensive information, but makes no representation or warranties as to the accuracy, completeness, or timeliness of the data provided. DMSI shall not have liability for any damages of any kind relating to such data. This report may not be reproduced or published for any purpose. DA market officers, directors and employees, including persons involved in the preparation or issuance of this report, may have investments in securities or derivatives of securities of the companies mentioned in this report.