

PSEi hits 7,700 for the first time this year as the index surged 112.32 pts. or 1.48% to 7,710.54 buoyed by foreign buying in the local market. The PSEi is up 10.9% YTD and up 26.7% from January low.

US stocks gained broadly on Tuesday, helped by buoyant oil prices, a day after Federal Reserve Chair Janet Yellen pushed back expectations for an interest rate increase without raising concerns over the strength of the world's largest economy. Crude oil futures traded above the psychologically important \$50 mark, touching a 2016 high, supported by a weaker U.S. dollar, which wallowed near a four-week low.

Incoming Financing Secretary Carlos G. Dominguez said MPI will receive compensation if arbitration claims against the government are indeed legitimate
 MPI CFO David J. Nicol said claims would reach P7 billion for Maynilad Water Services, Inc. and P4 billion for Manila North Tollways Corp. (MNTC) and Cavite Holdings, Inc. by the yearend.

An arbitration case Maynilad won has not been implemented by MWSS. Meanwhile, MNTC has filed for arbitration with the United Nations Commission on International Trade Law in Geneva for failure to act on toll hike petitions. Moreover, MPI is claiming P1.9 billion over the government's failure to deliver additional light rail vehicles pursuant to the LRT Line 1 Cavite Extension contract.

German insurer Allianz SE completes a 51% acquisition of PNB subsidiary PNB Life Insurance Inc., following regulatory approvals

In December 2015, PNB said it sold 12,750 shares of stock of PNB Life to Allianz equivalent to 51% of the issued and outstanding capital stock of PNB Life. PNB Life is the 10th largest life insurer in the Philippines, with new business premiums of P4.766 billion in 2015. Parent PNB is the 4th largest private universal bank in the country.

PSPC to boost capacity after securing a new contract from tech giant Samsung Electronics Ltd.

PSPC added a new line which can manufacture 38 million next generation dynamic random access modules (DRAM per month (73% increase in efficiency). PSPC recorded production of 18 million and plans to increase in July. DRAM is primarily used in personal computers and servers.

PSCP said it shipped out \$325 million worth of semiconductors in 1Q16. It cited that exports of electronic products increased 8.1% to \$2.13 billion last February.

BLOOM to focus on second casino project in Quezon City, to start construction as early as next year

The size of the Quezon City integrated resort and casino project would depend on the market; Development may take two years to complete.

The project would rise on a P1.9 billion, 15,676 sq.m. property which the group acquired from the National Housing Authority (NHA) last year.

BLOOM operates a casino in Korea and plans to open one in Argentina

PSEi	7,710.54 +112.32 +1.47%
Day Range	7,634.38 - 7,744.54
52wk Range	6,084.28 - 7774.54
Advances - Declines - Unchanged	126 - 81 - 39
Volume (shares)	1.26 billion
Value (Php)	10.24 billion
Block Sale Value (Php bn)	145 million
Foreign Buying (Php)	6.04 billion
Foreign Selling (Php)	3.59 billion
Net Foreign B(S) (Php)	2.44 billion

Most Active	Value (mn)	Price Change	Advancers / Decliners	Change
ALI	659.63	+2.77%	AP	+6.30%
TEL	652.93	+2.00%	ICT	+4.81%
BDO	550.88	+2.18%	BLOOM	+4.69%
JGS	539.29	+1.31%	MPI	+4.40%
SMPH	530.33	+1.39%	DMC	+3.96%
MBT	452.69	+0.98%	ALI	+2.77%
MPI	450.31	+4.40%	GTCAP	+2.58%
GTCAP	419.49	+2.67%	JFC	+2.15%
URC	374.75	+0.50%	EDC	2.00%
AC	313.28	0.00%	BDO	+1.85%

WORLD INDICES		
Dow Jones	17,938.28	+0.10%
S&P 500	2,112.13	+0.13%
NKY 225	16,580.03	-0.37%
SSEC	2,934.10	-0.16%
CURRENCIES (USD:)		
PHP	46.10	
JPY	107.31	
EUR	0.88	
CNY	6.57	
COMMODITIES		
WTI Crude (USD/bbl.)	50.40	+0.08%
Brent Crude (USD/bbl.)	51.47	+0.06%
Gold (USD/oz.)	1,246.60	-0.03%
Copper (USD/lb.)	205.20	+0.05%
Nickel (USD/lb)	3.8835	-0.0174
Laterite Nickel Ni 1.5%, Fe15-25% (USD/wmt)	18 - 20	Average 19 (0.00%)
Laterite Nickel Ni 1.8%, Fe15-20% (USD/wmt)	32 - 34	Average 33 (0.00%)

TEL, GLO activate first cell sites using 700MHz spectrum acquired from SMC

The first site is located near Hardin ng Bougainvillea in UP Diliman benefiting customers within a radius of 2.2 kilometers from the cell tower. PLDT said LTE cell sites will be activated in Metro Manila, Cebu, and Davao within the year.

GLO plans to roll out initially about 200 sites using the 700 MHz frequency

BSP: Foreign exchange reserves declined to \$83.51 billion in May

The level is lower by \$230 million than the end-April GIR of \$83.74 billion due mainly to the decrease in the price of gold in the international market and payments made by the national government for its maturing foreign exchange obligations

Forex reserves have been increasing steadily from \$80.17 billion in November last year to \$83.74 billion in April.

The BSP sees the GIR hitting \$82.7 billion equivalent to nine months import cover. The full-year GIR target was exceeded as early as March after increasing to \$82.98 billion.

Incoming administration is considering lowering economic growth targets - 6.6% (2017), 7.6% (2017), 7-8% (2018), 6.9% - 7.9% (2019)

Incoming Budget Secretary Benjamin Diokno said that there is usually lag as to how public spending, especially for public infrastructure, affects economic growth

Growth is expected to slow down to 6.6% and 7.6% next year, before bouncing back to 7-8% in 2018 and 6.9-7.9% in 2019.

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.