

PSEi fell as much as 2.5% before paring some losses, still off 100.06 pts. or 1.29% to settle at 7,629.72.

*iTRADE Notes: PSEi supports 7,545/7,400, 7,166/7,150, 6,860/6,950*

Global markets were sent into a tailspin Friday over shock from UK's vote to exit the European Union and subsequently resignation of Prime Minister David Cameron. US markets suffered the worst drop in 10 months retreating into negative territory. Investors are concerned about cash drying up in global financial markets. Analysts cite more uncertainties - possibility of other EU countries pursuing referendum votes; the dollar's appreciation against the euro and pound could cause China to devalue its currency.

### SEC approves AC's P20 billion worth of fixed-rate bonds under shelf registration; Proceeds to refinance maturing obligations next year

AC to initially float P10 billion worth of bonds under shelf registration, with the remainder to be offered within the next 3 years.

*iTRADE Note: AC begins a 5-year plan this 2016 to double net profit to P50 billion by 2020 from P22.3 billion in 2015 - CAGR 15.3%.*

### GTCAP to sell up to P12 billion in preferred shares

To sell 8 million Series "A" and "B" perpetual preferred shares, with an oversubscription of up to 4 million shares at P1,000 per share.

Last month, GTCAP gained a 15.6% stake in MPI (P29.86 billion) while selling 56% of equity in power arm GBPC (P22.06 billion) to MPI wholly-owned subsidiary Beacon Electric Asset Holdings, Inc.

GTCAP paid P6.2 billion to exercise its option to increase its direct ownership in Property Company of Friends Inc (PCFI) from to 42% by 2H16 from 22.68% (August 2015, P7.24 billion), and eventually to 51% by 1H17 (~P2.8 billion).

### SBS optimistic on growth on expansion

To acquire allied chemical businesses and operate by 2017 - two new warehouses almost the same size as existing 5; cover other industries, focusing on water treatment, agriculture, pharmaceuticals and industrial, and institutional industries.

Expects revenue growth to accelerate over the next three years on stronger demand for chemicals  
1Q15 Net Income +45.8% to P46.9 million.

### COSCO to increase capex 44% to P7.2 billion

Plans to roll out more retail limits via organic geographic expansion and acquisitions.

P3.25 billion to sustain the market share of Liquigaz;  
P1.3 billion to develop its own community malls in Marikina, Laguna and Tagaytay with ave. GFA of 4,000 - 8,000 sq.m.

P2.6 billion for 25 new Puregold stores, two S&R stores in Iloilo and Cagayan de Oro, 10 S&R New York Style Pizza stores and 75 Lawson convenience stores.

Despite EMP's takeover of Bodegas Fundador, COSCO to continue distributing Fundador products in S&R and Puregold stores, accounting for half of total domestic volumes. Alfonso brandy also offsets lost sales from Fundador.

To add 10 Office Warehouses at P60 million each.

PSEi	7,629.72 -100.06 -1.29%
Day Range	7,538.18 - 7,813.58
52wk Range	6,084.28 - 7792.34
Advances - Declines - Unchanged	37 - 158 - 41
Volume (shares)	2.35 billion
Value (Php)	9.56 billion
Block Sale Value (Php bn)	269 million
Foreign Buying (Php)	4.33 billion
Foreign Selling (Php)	3.11 billion
Net Foreign B(S) (Php)	1.22 billion

Most Active	Value (mn)	Price Change	Advancers / Decliners	Change
ALI	900	+0.39%	JFC	+1.21%
URC	455	-1.64%	EMP	+1.13%
MBT	452	-0.48%	AC	+0.35%
SMPH	434	0.00	SMPH	0.00
GLO	389	+0.40%	TEL	0.00
MEG	386	+1.09%	BLOOM	-7.46%
MPI	326	+2.19%	MEG	-3.64%
JGS	298	-2.64%	PCOR	-3.53%
FGEN	288	-1.91%	SCC	-3.15%
DD	277	0.00	MPI	-2.94%

WORLD INDICES	06-24	06-25	Chg
Dow Jones	18,011.07	17,400.75	-3.39%
S&P 500	2,113.32	2,037.41	-3.59%
NKY 225	16,238.35	14,952.02	-0.64%
SSEC	2,891.96	2,854.29	-1.30%
CURRENCIES (USD:)	06-24	06-25	Chg
PHP	46.49	46.86	0.80%
JPY	105.89	102.22	-3.47%
EUR	0.88	0.90	2.27%
CNY	6.58	6.61	0.46%
COMMODITIES	06-24	06-25	Chg
WTI Crude (USD/bbl.)	49.79	47.64	-4.32%
Brent Crude (USD/bbl.)	50.91	48.41	-4.91%
Gold (USD/oz.)	1,270.10	1,322.40	4.12%
Copper (USD/lb.)	215.20	211.60	-1.67%
Nickel (USD/lb)	4.1369	4.0751	-1.49%
Laterite Nickel Ni 1.5%, Fe15-25% (USD/wmt)	18 - 20 Ave. 18.5	18 - 20 Ave. 18.5	0.00%
Laterite Nickel Ni 1.8%, Fe15-20% (USD/wmt)	32 - 34 Ave. 32.5	32 - 34 Ave. 32.5	0.00%

**DD to shift to recurring income model (from current 10% to 90% by 2020)**

DD says it is on track to reach target of 90% recurring income by 2020 and with a “string of prime commercial land across the Philippines [as] the strong backbone of DoubleDragon”

DD now has 2/3 of 1 million sqm. leasable space target; to open 25 CityMalls, ending the year with 30.

DD is currently constructing DD Meridian Park (280,000 sq.m. GLA), Jollibee Tower ((47,909 sq.m.) for completion by 2018.

**GLO inks partnership with 6 foreign content providers (Netflix, Disney, Turner, Sports Illustrated, Smule, and Astro); improve broadband plans; put up more cell sites**

**More MER customers shift to net metering as solar panel cost go down**

From 1 customer in 2013, customer base as grown to 200 by 2015 and 392 by May 2016 rooftop installations at an average capacity of four kilowatts (kw), under net metering

Under net metering, end-users of renewable energy, not exceeding 100 kw, can sell electricity they generate in excess of what they can consume directly to their distribution utility (DU).

**MER expects 6-7% growth in energy sales this year, similar trend to last year**

In 2015, energy sales rose 5.6% to 37,124 gigawatt-hours (gwh)

MER has yet to offer income guidance for 2016. Earlier it reported a 12.1% rise in sales in the first four months of the year as demand spiked due to the extremely hot weather caused by the El Niño phenomenon; however sees sales slowing down due to cooler temperatures with the onset of the rainy season.

**Court of Tax Appeals rejects TEL petition, ruling Makati court has no jurisdiction over dispute with Tuguegarao over P2.455 million in unpaid franchises**

**ALCO increases authorized capital stock to P7.95 billion from P2.95 billion, gaining fundraising flexibility**

Via creation of 50 million non-voting and non-participating preferred shares with a par value of P100 per share

Privately-held Po-owned CPG Holdings, Inc. owns 40.29% of ALCO.

**SHNG allots P3-4 billion capex this year**

Set to finish One Shangri-La Place and Shang Salcedo Place (turnover 3Q16)

Continues to build its land bank and intends to make acquisitions in business districts, focusing on Manila - Makati, Ortigas Fort

SHNG recently acquired a 3,361 square meter property in Wack-Wack, San Juan City, which will be developed into a vertical residential tower. The project will likely happen next year.

**ANZ maintains inflation forecasts for next 2 years (1.9% for 2016, 3% for 2017)** as BSP keeps rates steady amid limited impact of the slowdown in the country’s agriculture output on GDP inflation BSP lowered its forecast to 2% from 2.1% on lower minimum wage hike by P10 (vs. P27) and modest increase of P18 in June 2017, 2018 (vs. P29)

**Indonesia: halted coal shipments to the Philippines until Manila secures waters after seven Indonesian sailors were kidnapped**

Indonesia supplies 70% of Philippines' coal import needs (~15 million tons worth \$800 million last year).

**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.