

### PSEi retreats anew over Brexit concerns

PSEi -49.21 pts. or -0.63% to 7,666.69 as investors remain cautious over Brexit uncertainty. All counters were in the red, with industrial and mining leading declines. Asian markets were broadly lower but turned optimistic as Japan's Prime Minister Shinzo Abe instructed officials to take steps to reassure markets and South Korea's government unveiled a 20 trillion won (\$17 billion) stimulus package and backup budget for big infrastructure projects.

### US stocks close higher than 1.5%

U.S. stocks closed more than 1.5% higher Tuesday, lifted by gains in oil prices, as investors looked for bargains after the Brexit sell-off. Analysts also noted improved sentiment after initial fears of significant negative spillover from the U.K. vote to leave the European Union.

### EDC subsidiary reaches settles on "satisfactory terms"

EDC reached an agreement with contractor Weir Engineering Services, Ltd. to end arbitration over rehabilitation of Bacon-Manito geothermal power plant. Beginning 2012 to February 2, 2016, arbitrations led to EDC securing a favorable ruling from the ICC, with Weir ordered to pay BGI a total of \$5.3 million, including \$887,902.03 as reimbursement for legal costs. Reported as part of the settlement, Bacon-Geothermal Inc. also agreed to return \$1.89 million to Weir.

### COSCO, EMP split local Fundador market

COSCO to continue distribution of half of country's supply or 150,000 cases of Fundador every year despite EMP's recent acquisition of Bodegas Fundador of Jerez, Spain. EMP will now be the one to distribute Fundador brandy to other retailers. The Philippines consumes about 300,000 cases of per year. COSCO said it will make up for the other half with sales from our other brandy brand Alfonso, as an exclusive distributor.

### SMPH targeting to to issue 10-year bonds with highest debt rating PRS Aaa worth up to P10 billion on July 25 (Offer July 12-18, Rate-setting July 7)

SMPH plans to issue P5 billion in retail bonds, with an oversubscription option of P5 billion - the initial tranche of a proposed 3-year debt program worth as much as P60 billion. PhilRatings maintained PRS Aaa rating for outstanding bonds worth P40 billion. Proceeds to be used for capex requirements; SMPH on track to double income to P32 billion by 2018. 1Q16 Core Net Profit +12%, Revenues +10%

### AC to issue P10 billion in 7-year bonds with a rate of 3.92% per annum next week, rated PRS Aaa

To be issued July 7; Proceeds to refinance peso-denominated debt. SEC authorized AC to issue P20 billion in bonds over the next 3 years. AC targets to double net profit to P50 billion by 2020. AC 2016 capex P174 billion (+34% YoY)

PSEi	7,666.69 -49.21 -0.63%
Day Range	7,651.34 - 7,711.98
52wk Range	6,084.28 - 7792.34
Advances - Declines - Unchanged	82 - 94 - 57
Volume (shares)	1.03 billion
Value (Php)	5.14 billion
Block Sale Value (Php bn)	140 million
Foreign Buying (Php)	2.17 billion
Foreign Selling (Php)	2.32 billion
Net Foreign B(S) (Php)	147 million

Most Active	Value (mn)	Price Change	Advancers / Decliners	Change
SMPH	505.57	+0.38%	RLC	+2.53%
ALI	374.72	-1.52%	BLOOM	+2.24%
GLO	275.91	+0.17%	SMC	+1.23%
MBT	270.13	+1.16%	MBT	+1.16%
TEL	241.41	-1.44%	JFC	+0.77%
URC	230.96	-0.87%	EMP	-2.57%
JGS	218.76	-1.06%	FGEN	-2.57%
GTCAP	211.83	-1.57%	LTG	-2.50%
MPI	156.44	+0.45%	PCOR	-2.35%
BPI	147.93	-0.97%	GTCAP	-1.57%

WORLD INDICES	06-28	06-29	Chg
Dow Jones	17,140.24	17,409.72	1.57%
S&P 500	2,000.54	2,036.09	1.78%
NKY 225	15,309.21	15,323.14	0.09%
SSEC	2,895.70	2,912.56	0.58%
CURRENCIES (USD:)	06-28	06-29	Chg
PHP	47.09	47.01	-0.17%
JPY	101.79	102.27	0.47%
EUR	0.91	0.90	-1.10%
CNY	6.64	6.65	0.15%
COMMODITIES	06-28	06-29	Chg
WTI Crude (USD/bbl.)	48.85	48.18	-1.37%
Brent Crude (USD/bbl.)	47.16	48.83	3.54%
Gold (USD/oz.)	1,327.70	1,317.50	-0.77%
Copper (USD/lb.)	212.85	218.15	2.49%
Nickel (USD/lb)	4.0500	4.2071	3.88%
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%

**SECB lists BTMU's 150 million shares**

On Tuesday, SECB listed 150,707,778 new common shares it issued to the Bank of Tokyo-Mitubishi UFJ Ltd. (BTMU).

In January, SECB sold 20% stake to BTMU for P36.943 billion (150.7 million common shares at P245/sh; 200 million preferred shares at P0.10/sh). As of April 1, the deal was completed; Book Value P123.29/sh.

With shareholder capital at P92.9 billion, SECB is the 5th largest private universal banking the country.

**IMI beefs up international operations; appoints Giles Bernard as President**

Arthur Tan will remain as CEO; recently appointed vice Chairman of Ayala Automotive

AC Energy president and CEO John Eric Francia also stepped down as director of IMI to focus on the energy and infrastructure group.

Ayala is evaluating opportunities in the automotive distribution and manufacturing sector for potential mergers and acquisitions; expansion across the value chain

**BSP expects higher June inflation between 1.5 -2.4% from 1.6% in May from higher food prices and tuition**

For the first five months, inflation stood at 1.3%, below the BSP's 2-4% target for the year. Consumer prices rose an average of 1.4% in 2015.

**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.