

**U.S. stocks closed higher Thursday, up for a third straight day from the post-Brexit sell-off. The Dow has recovered about 80% of post-Brexit losses. Economic data better than expected; Oil and Gold lower**

- For the quarter, the Dow rose 1.4%, S&P 1.9%; Energy jumped more than 10% as the best performing S&P sector, while IT and consumer discretionary were the only negative sectors.
- Oil prices were under pressure Thursday, with U.S. crude settling 3.1% lower at \$48.33 a barrel.
- Weekly jobless claims came in at 268,000, slightly above the expected 267,000; Chicago PMI June reading came in at 56.8, well above a May reading of 49.3.
- Gold futures for August delivery settled \$6.30 lower at \$1,320.60 per ounce.

**End-Q2, PSEi surges to near 8,000, but closes flat at 7,980.75; NFB P3.18 billion.**

- At the end of June and the 2Q, the PSEi surged to nearly 8,000 level, hitting an intraday high of 7,980.75, but profit-taking had pressured the index to close flat at 7,796.25 down 2.28 pts. or 0.03%.
- Despite this, Net Foreign Buying came in at P3.18 billion.
- Regional markets also advanced as Brexit fears waned.
- For the year, PSEi is up 12%. From the January low, up 28%.

**CNPF expects to top to surpass Net Income target of 10-15% this year on strong 1Q results**

In the 1Q, topline grew by 22% to P6.40 billion, bottom line grew 45% to P636 million.

Strong 1Q was attributed to consumer spending and the financial consolidation of newly acquired coconut firm Century Pacific Agricultural Ventures Inc. (CPAVI)

CNPF's Net Income growth target is to grow double the GDP. It is targeting P2.5 billion in net income (+32%), setting aside P1.1 billion for capex.

**PAL comprehensive income +560% to \$134.42 or P6.3 billion**

Comprehensive income refers to the airline's net profit and other sources of income. PAL did not provide a specific breakdown.

PAL swung to \$20.38 million (P961 million) in fiscal year 2014 from a \$229.71 million (P10.8 billion) loss in 2013.

PAL switched from an April-March fiscal year in 2015 to one following the calendar year of January to December.

**Fitch: Brexit no immediate impact on the ratings of sovereigns and banks in the Asia Pacific region including the Philippines.**

"If protracted uncertainty has a sustained effect on investor and consumer confidence, the resulting tightened liquidity conditions and pressure on emerging capital markets could weigh on growth in the region." In such a case, more trade-integrated economies such as Singapore, Taiwan, Hong Kong and Korea would be affected.

Fitch expects a slowdown in short-term GDP growth as a result of the referendum. But also cites possibility of a UK outside the EU to make quicker progress on trade liberalization with Asian countries than as a member of the EU. Only Korea currently has a free trade agreement with the EU.

PSEi	7,796.25 -2.28 -0.02%
Day Range	7,768.44 - 7,980.75
52wk Range	6,084.28 - 7980.75
Advances - Declines - Unchanged	97 - 99 - 46
Volume (shares)	1.72 billion
Value (Php)	15.66 billion
Block Sale Value (Php bn)	312 million
Foreign Buying (Php)	9.21 billion
Foreign Selling (Php)	6.03 billion
Net Foreign B(S) (Php)	3.18 billion

Most Active Index	Value (mn)	Most Active (All)	Value (mn)	Advancers / Decliners	Change
TEL	1,095	SECB	2,577	BLOOM	+3.75%
URC	906	SMPH	1,095	JFC	+2.63%
JFC	730	ALI	906	EMP	+2.11%
MPI	696	BDO	730	MEG	+1.97%
SM	609	TEL	696	JGS	+1.96%
MBT	596	URC	609	RLC	-3.28%
JGS	586	JFC	596	EDC	-2.99%
MEG	551	MPI	586	SM	-2.81%
AC	477	HVN	581	MER	-2.76%
AEV	475	SM	551	AGI	-2.63%

WORLD INDICES	06-30	07-01	Chg
Dow Jones	17,694.68	17,929.99	1.33%
S&P 500	2,070.77	2,098.86	1.36%
NKY 225	15,566.83	15,575.92	0.06%
SSEC	2,931.59	2,929.61	-0.07%
CURRENCIES (USD:)	06-29	07-01	Chg
PHP	46.97	47.16	0.40%
JPY	102.65	102.84	0.19%
EUR	0.90	0.90	0.00%
CNY	6.64	6.65	0.15%
COMMODITIES	06-29	07-01	Chg
WTI Crude (USD/bbl.)	49.49	48.43	-2.14%
Brent Crude (USD/bbl.)	50.13	49.68	-0.90%
Gold (USD/oz.)	1,318.50	1,326.40	0.60%
Copper (USD/lb.)	218.80	220.20	0.64%
Nickel (USD/lb)	4.2292	4.2406	0.27%
Laterite Nickel Ni 1.5%, Fe15-25% (USD/wmt)	18 - 20 Ave. 18.5	18 - 20 Ave. 19	2.70%
Laterite Nickel Ni 1.8%, Fe15-20% (USD/wmt)	32 - 34 Ave. 32.5	32 - 34 Ave. 33	1.54%

**(MEG) GERI to spend another P5 billion to complete 4 hotels by 2019; FY16 growth est. 30%**

The 4 hotels, plus the now-operational Fairways and Bluewater in Boracay, required a total investment of P10 billion starting 2014.

Earnings growth target est. at 30% with launch of 2 residential projects and 1 of the the hotels - Savoy Hotel Boracay. FY15 Net Income 667 million; Revenues P5.21 billion.

Other hotels and completion dates - Twin Lakes Hotel in Batangas (2017), Belmont Hotel Boracay (2018) and Chancellor Hotel Boracay (2019).

For 2016, capex is at P6.5 billion to launch 3 projects - the Chancellor Hotel in Boracay and the second phase of Domain Lejardin Village and Vineyard Manor Condominium in Twin Lakes.

**FNI nickel ouput to increase 20% to 6 million MT in 2017 when its Palawan site commences operations**

Palawan operations to boost production by 1 million metric tons (MT) from 5 MT. FNI is now preparing the Palawan mine for next year's and is spending \$10 million (P471 million) for ground works.

The new mine will ship predominantly high-grade and medium-grade nickel ore, and shipping window that complements Cagdianao mine, making FNI a year-round producer.

This year, FNI expects to ship 5 million MT of nickel ore.

**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.