

**PSEi closes higher at 7,956.14 following positive momentum in U.S. markets. Net foreign buying P1.31 billion.**

**U.S. closes new record levels after the Bank of England hinted at looser monetary policy next month; earnings season kicked into full gear.**

Dow posts third consecutive, S&P fourth consecutive record close. The U.K. central bank kept interest rates unchanged, while market consensus was for a 25 bps cut to 0.25%. JPMorgan Chase easily beating estimates and BlackRock posting results in line with expectations. Citigroup, Wells Fargo, and U.S. Bancorp will kick off the next wave of earnings before the bell Friday. Gold futures for August delivery settled \$11.40 lower at \$1,332.20 per ounce.

**TEL approves higher capex at \$1 billion (~P48 billion) to support digital initiatives**

- The additional budget allocation of \$100 million (P4.7 billion) was requested, on top of the P43 billion capex announced earlier, for the utilization of new frequencies.

**MWC plans to provide water to industrial parks, offer sanitation services in SEA countries as it expands to double earnings in 5 years**

- 2015 Net Income rose 2% to P5.96 billion. MWC which operates in 2 of the largest industrial parks in the Philippines, has also branched out to other parts of the Philippines through 6 subsidiaries, which are all profitable. Outside the country, MWC distributes water in the Cu Chi district of Ho Chi Minh city and conducting pilot projects in Yangon, Myanmar, and Bandung in Indonesia

**SECB expects to top 2015 Net Income of P7.7 billion**

- Loans may rise 30%, outpacing industry as it reaches Japanese employees in the country supported by recent P36.9 billion 20%-stake sale to Japan's MUFG.
- As of 1Q16, Net Income was flat at P3 billion while loans surged 20% to P239 billion and deposits rose 14% to P282 billion.
- SECB plans to open 20-30 branches, of which 70% will be in the provinces.

**Environmental crackdown on Phl mines, which helped drive nickel price to 8-month highs, have muted impact on exports to China**

- A smatter of smaller mines are likely to be affected with 21 of the 40 operating mines with ISO 14001 certification.
- The Philippines is the biggest exporter to top metals consumer China of nickel ore, used to make stainless steel.
- Macquarie analyst Jim Lennon said there will be more of an impact on new mines because I think there will be a much more extended environmental approval process. The The Philippine government has halted permits to develop new mines since 2012 while it works out ways to get more revenue from the sector, but such efforts in Congress have stalled.

PSEi	7,956.14 +12.12 +0.15%
Day Range	7,905.88 - 7,964.07
52wk Range	6,084.28 - 7,980.75
Advances - Declines - Unchanged	121 - 73 - 48
Volume (shares)	2.43 billion
Value (Php)	8.21 billion
Block Sale Value (Php)	153 million
Foreign Buying (Php)	4.80 billion
Foreign Selling (Php)	3.49 billion
Net Foreign B(S) (Php)	1.31 billion

Most Active Index	Value (mn)	Most Active (All)	Value (mn)	Index Advancers / Decliners	Change
SMPH	1,229	SMPH	1,229	PX	+2.65%
ALI	671	ALI	671	AGI	+2.56%
SM	447	SM	447	RLC	+2.29%
GTCAP	284	GTCAP	284	MPI	+2.14%
MBT	282	MBT	282	MEG	+1.40%
TEL	241	ALT	250	BLOOM	-3.37%
BDO	216	TEL	241	COSCO	-1.25%
AGI	209	DD	232	EDC	-0.88%
JGS	204	BDO	216	DMC	-0.78%
URC	190	AGI	209	GLO	-0.43%

WORLD INDICES	07-14	07-15	Chg
Dow Jones	18,372.12	18,506.41	0.73%
S&P 500	2,152.43	2,163.75	0.53%
NKY 225	16,231.43	16,385.89	0.95%
SSEC	3,060.69	3,054.02	-0.22%
CURRENCIES (USD:)	07-14	07-15	Chg
PHP	47.22	47.02	-0.42%
JPY	104.36	105.29	0.89%
EUR	0.90	0.90	0.00%
CNY	6.69	6.68	-0.15%
COMMODITIES	07-14	07-15	Chg
WTI Crude (USD/bbl.)	45.14	45.28	0.31%
Brent Crude (USD/bbl.)	46.26	46.96	1.51%
Gold (USD/oz.)	1345.90	1,334.60	-0.84%
Copper (USD/lb.)	223.70	223.85	0.07%
Nickel (USD/lb)	4.6433	4.6901	1.01%
Laterite Nickel Ni 1.5%, Fe15-25% (USD/wmt)	20 - 22 Ave. 21	20 - 22 Ave. 21	0.00%
Laterite Nickel Ni 1.8%, Fe15-20% (USD/wmt)	34 - 36 Ave. 35	34 - 36 Ave. 35	0.00%

**PSE Pres. Hans Sicat maintains P200 billion fund-raising forecast; 3 IPOS in different stages of preparation in the pipeline**

- "There's a lot of private placements and follow-on offerings...Of course most of these will be coming in the second half (of this year)...There's a lot of optimism right now."

**TFHI open to sell more shares, increase public float**

- Current float is at 11.81% of 332.89 million outstanding shares of 490.2 million listed shares
- TFHI owns 62% of SMC, 100% Clariden Holdings, Inc., a holding company with interests in exploration, mining and development.
- Clariden, through its subsidiaries, holds mineral production sharing agreements for the Nonoc nickel project and Mt. Cadig nickel project as well as exploration permits for certain areas under the Bango gold project. It also has a pending application for production sharing agreement and pending exploration permit applications for other areas of the Bango gold project.
- RSA said that mining projects have valid MPSA, even the Nocnoc Nickel which is currently on hold. The co. is studying what type of nickel processing facility to put up having said earlier that TFHI may invest \$1.5 billion for a high-pressure acid leach technology plant with a capacity of 200,000 tons a year. The project would be funded by equity and bank loans and would take 3 years to build.

**HSBC raises growth forecasts for Phl to 6.3% for 2016-2017, from 5.9% and 5.8%, respectively, from higher investment**

- Sees a rise in fixed asset investment in next few years, considering the Phl has the lowest share in FDI in the region and hit target of budget deficit of 3% of GDP given "quantum leap of infrastructure spending"
- Possible headwind is slowdown in current account, but maintain surplus of 1.3% (2016) and 0.9% (2017) of GDP
- Positive on Brexit due to expected liquidity inflows due to accommodative monetary policy by central banks
- Inflation may average 2.3% (3Q), 2.6% (4Q); Peso may average 45.50 per dollar (3Q) and 45 (4Q)
- Phl to outperform regional peers including Malaysia and Indonesia

**Phl books net inflow of \$450.87 million in June, a reversal of the \$521.99 million net outflow last year. 1H net inflow of hot money slipped 9.1% to \$580 million from \$638.38 million last year.**

- Inflows fell 29.8% to \$8.45 billion from January to June versus the \$12.04 billion in the same period last year that included large inflows for stock rights offering by two holding companies, two universal banks, and a property firm.
- The bulk or 83.8% of the investments registered in June were in companies listed at the PSE, while the remaining 15.7 percent went into peso-denominated government securities.

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