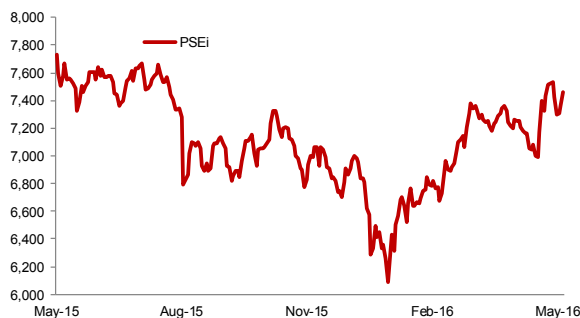


What's Brewing @ FirstMetroSec

PSE Index (12-month period)



Equities Summary

The PSEi gained +1.46% to close at 7,463.95, as a rally in US markets overnight and foreign inflows overshadowed higher-than-expected imports for March. Broad market breadth also ended positive, after diverging the PSEi's gain for the past 2 sessions.

*Net foreign buying ended at 890,962,817.36, 4,201,727,700.16 purchases, 3,310,764,882.80 sales.

*Index Breadth: 25 up; 5 down; 0 unchanged.

*Market Breadth: 112 up; 84 down; 39 unchanged.

*Index Leaders: ALI (+3.91%), BPI (+2.84%), URC (+1.99%), TEL (+1.91%), AEV (+1.77%)

*Index Laggards: MER (-1.25%), FGEN (-2.3%), SM (-0.1021%), GLO (-0.185%), JFC (-0.0847%)

*FMETF : Closed @ Php122.40; iNav @ Php122.6843 vs. last NAV @ 120.90.

Index	Value Turnover (in P mn)	
Last	7,464.0	Last (ex-blocks) 7,521.4
% Change	1.5%	3-Month Average 7,044.1
YTD % Change	7.4%	6-Month Average 6,285.7

Valuation (x)	Market Breadth	
Price-to-Earnings T12M	21.8	Gainers 112
Price-to-Earnings F12M	19.1	Losers 84
Price-to-Book	2.5	Unchanged 39
Dividend Yield (%)	1.8	

Foreign Activity (in P ms)	PLDT	
Buy	4,201.7	TEL Last Price (Php) 1,655.0
Sell	3,310.8	TEL ADR Last Price (US\$) 35.2
Net Foreign	891.0	in Php 1,647.8

Global Indices

	Level	Change	% Change	YTD % Change	P/E T12M	P/E F12M
US Markets						
Dow Jones	17,851.51	145.5	0.8%	2.4%	18.87	16.44
S&P 500	2,090.54	14.5	0.7%	2.3%	19.44	16.78
Nasdaq	4,894.89	33.8	0.7%	(2.2)%	20.88	18.22
European Markets						
Euro Stoxx	3,061.60	51.5	1.7%	(6.3)%	15.67	13.81
DAX	5,470.44	68.6	1.3%	(4.7)%	14.52	13.34
FTSE 100	6,262.85	43.6	0.7%	0.3%	20.06	16.66
CAC 40	4,481.64	50.1	1.1%	(3.4)%	16.02	14.64
Asia Pacific						
Nikkei	16,757.35	258.6	1.6%	(12.0)%	17.69	16.42
Hang Seng	20,368.05	537.6	2.7%	(7.1)%	9.02	10.85
Singapore	2,766.66	16.4	0.6%	(4.0)%	11.53	12.31
ASX 200	5,372.51	76.9	1.5%	1.4%	16.74	16.52
Shanghai	2,815.09	(6.6)	(0.2)%	(20.5)%	11.56	11.73
S. Korea	1,960.51	22.8	1.2%	(0.0)%	12.10	11.14
Jakarta	4,772.98	62.2	1.3%	3.9%	18.10	16.59
Malaysia	1,630.96	5.1	0.3%	(3.6)%	16.92	15.52
Thailand	1,397.63	13.4	1.0%	8.5%	15.97	14.65
Philippines	7,463.95	107.2	1.5%	7.4%	21.83	19.13

First Metro Phil. Equity ETF (FMETF)

Report Date	Wednesday, May 25, 2016
NAV per share	122.6843
Closing Price	122.40
Total # of Issued Shrs (in '000)	8,400
Total # of Outstanding Shrs (in '000)	8,400
Tracking Error	0.03%

News Highlights

INTERNATIONAL

[Fed's Kaplan says sees two U.S. rate hikes this year](#)
[Households in Fed Survey Felt Vulnerable Despite Economic Gains](#)
[U.S. Home Prices Climbed 5.7% in First Quarter From Prior Year](#)

LOCAL

[BOI investment pledges surged 64% as of April](#)
[Competition agency to probe telcos](#)
[Gov't IOUs down to P3.77T at end-April](#)
[Imports up 8.8% to \\$18.6B in 1st quarter](#)
[Banks face additional liquidity requirement](#)

CORPORATE

[Jollibee, Cargill venture into poultry processing](#)
[Lopez firms vow to tap low-carbon suppliers](#)
[Trans-Asia Oil first quarter profit surges to P265 million](#)
[Philex Mining wins P84-M tax refund](#)
[Okada's Tiger Resorts begins second stage of Manila casino](#)
[D.M. Wenceslao mulls filing IPO again](#)

Comment

Corporate

JFC and Cargill to build poultry processing facility

Jollibee (JFC) and Cargill Phils, a wholly owned sub of Cargill, have entered into a JV to build and operate a poultry processing plant in Santo Tomas, Batangas. Cargill will have a 70% stake, while the remaining 30% will be owned by JFC. The JV, Cargill Joy Poultry Meats Production, will supply JFC with dressed and marinated chicken for its Philippines business. JFC will also have a 30% stake in Cargill Joy Poultry Realty, which will lease the land where the facility will be located. JFC's investment amount to P244.9mn for Cargill Joy Poultry Meats and another P15.2mn for Cargill Joy Poultry Realty. Cargill will be handling setting up and overall O&M of the facility. The plant is expected to be completed by 2H17, and capex is on top of the initial 2016 budget of P9.4bn. This should also augment JFC's chicken supply requirements; note that chicken accounts for 25% of total COGS of JFC's Phils business. From our understanding, the plant will be 20-30 kms away from JFC's main commissary in Canlubang, Laguna.

D.M. Wenceslao mulls filing IPO again

The real estate developer, DM Wenceslao, will decide within a month if it will pursue its P12.3bn IPO this year. The company deferred its debut in the PSE November of last year as the timetable was "too tight". Furthermore, market concerns kept the real estate company from pursuing it again this year where the market dropped in January. Proceeds from the equity raising will be used to finance its ongoing projects in the 60-hectare Aseana City. The company plans to spend as much as P2.5bn for the first phase this year. Other than the IPO, the company is also looking into other financing sources, such as local banks and private equity firms.

Corporate Calendar

May 2016						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 CD – SPH; ICT	3 ABD – DNL; TEL	4 ABD – MPI; ALI	5 ABD – GMA; GLO	6 ABD – MWC; AP; AEV; IMI	7
8	9	10 SMD – PGOLD	11 SMD – FGEN; GTCAP; FMETF; X	12 ABD – AC; FLI CD – SCC SMD – EDC	13	14
15	16 SMD – AP; AEV; EMP	17 SMD – PX; PCOR CD – ATI	18 SMD – GMA; MACAY; MACAY CD – FLI	19 SMD – SPM; CROWN	20 CD – MER SMD – CEB	21
22	23 SMD – FPH	24 CD – FDC	25 CD – ALH I	26	27 SMD – MPI; GMA; MARC; SPH; PBB; UBP	28
29	30	31 SMD – MER; PNB; WEB				
Legend: SRD = SRO Ex-Date SMD = Stockholders' Meeting SRS = SRO Start LD = Listing Date CD = Cash Ex-Date		ABD = Analysts' Briefing SRE = SRO End EOS = ETF Offer Start STD = Stock Ex-Date EDD = ETF Dividend Ex-Date OFS = Offer Start		EOE = ETF Offer End PD = Property Ex-Date SRL = SRO Listing OFE = Offer End WED = Warrant Exp Date		

Source: Philippine Stock Exchange

Economic Calendar

May2016						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4 US – EIA Petroleum Report	5 US – Jobless Claims PH – CPI	6	7
8	9	10 US – JOLTS	11 US – EIA Petroleum Report PH – Exports	12 US – Jobless Claims	13 US – Retail Sales, Business Inventories PH – Phil Agriculture Performance	14
15	16	17 US – Housing Starts, Industrial Production	18 US – EIA Petroleum Report	19 US – Jobless Claims, Philadelphia Fed Business Outlook Survey PH – GDP	20 PH – BoP Overall	21
22	23	24 US – PMI Manufacturing Index Flash, New Home Sales	25 US – EIA Petroleum Report PH – Imports, Trade Balance	26 US – Durable Goods Orders, Jobless Claims	27 US – GDP	28
29	30	31				

Source: Bloomberg LP

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