



## WEALTH SECURITIES

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Consistently ranked among the top 20 brokerages in the Philippines since opening in 1986

Recipient of the Euro Money Award for Excellence as the "Best Domestic Securities House in the Philippines"



## THE WEALTH VAULT

A Product of Wealth Securities, Inc.

THURSDAY, 19 January 2012

Index	Value	Change	% Chg	
PSEI	4,677.62	34.86	0.7508	↑
All Shares	3,152.94	13.62	0.4339	↑
Financials	1,040.42	0.97	0.0931	↓
Industrial	7,273.40	46.65	0.6373	↓
Holding Firms	3,739.03	33.94	0.916	↑
Property	1,642.85	12.93	0.7933	↑
Services	1,760.71	30.74	1.7769	↑
Mining & Oil	24,942.31	331.78	1.3127	↓

WORLD INDICES

Dow Jones	12,579.00	+96.88
FTSE 100	5,702.37	+8.42
NIKKEI 225	8,550.58	+84.18

TRADING SNAPSHOT

Index Movers	Points
PLDT	↑ 21.46
Ayala Land	↑ 9.16
JG Summit	↑ 7.01
Alliance Global	↑ 3.62
SM Investments Corp.	↑ 3.11

Index Out-performers	Up
JG Summit	5.26%
Ayala Land	3.33%
PLDT	2.84%
Alliance Global	2.70%
Meralco	2.08%

Index Under-performers	Down
Belle Corp.	2.22%
Megaworld Corp.	2.09%
First Gen	1.81%
Energy Dev't Corp	1.45%
San Miguel Corp.	1.35%

CALENDAR

Jan 19	Dec'11 BOP Position, GIR, and NIR
Jan 19	Monetary Stance Press Release
Jan 25	FGEN ASM
Jan 31	Dec'11 Template on Inter'l Res., Foreign Exch. Liquidity



PSEi Index

18 Jan 2011:	4,677.62	+ 34.86
Value T/O, net	Php	4,626 million
52-week High	4,692.18	
Low	3,705.18	
Foreign Buying:	Php	2,646 million
Foreign Selling:	Php	2,587 million



HEADLINES

US stocks continue rally as IMF signals help for EU

➤ US stocks continued its advance yesterday (Jan 18) after the International Monetary Fund announced that it is raising as much as US\$600B to help countries hit by the European debt crisis. All three major indices posted sizeable gains with the Dow rising 0.78%; the S&P, 1.11%; and the Nasdaq, 1.53%. Financials were among the best performers in yesterday's trading after news of IMF's intentions hit the market, boosting confidence on the sector. In addition, better than expected earnings from Goldman Sachs also added to the positive sentiments on the sector. Shares of Goldman Sachs jumped 6.8% yesterday to close at US\$104.31. In company news, Yahoo shares rose 3.2% yesterday after co-founder Jerry Yang announced his resignation, while semiconductor companies Altera and Xilinx jumped 5.1% and 7% respectively after announcing their earnings reports. Looking forward, financials are expected to continue driving the market as Bank of America and Morgan Stanley are expected to announce earnings later this week.

Peso gains to five-week high as Moody's upgrade Indonesia

➤ The Philippine Peso gained 22 centavos yesterday against the US dollar to close at P43.40 yesterday after Moody's upgraded Indonesia to investment grade status. Yesterday was the second day the local currency advanced against the dollar and was at a five-week high since closing at P43.29 to a dollar last December 9, 2011. The peso closed at P43.62 to a dollar last Tuesday. In addition to the upgrade of Indonesia, the successful sale of Spanish debt also fueled risk appetite, sending the peso higher. Spain was able to sell 4.88B euros worth of 12-month and 18-month Treasury bills last Tuesday, calming fears that the troubled European economy will have problems financing its debt.

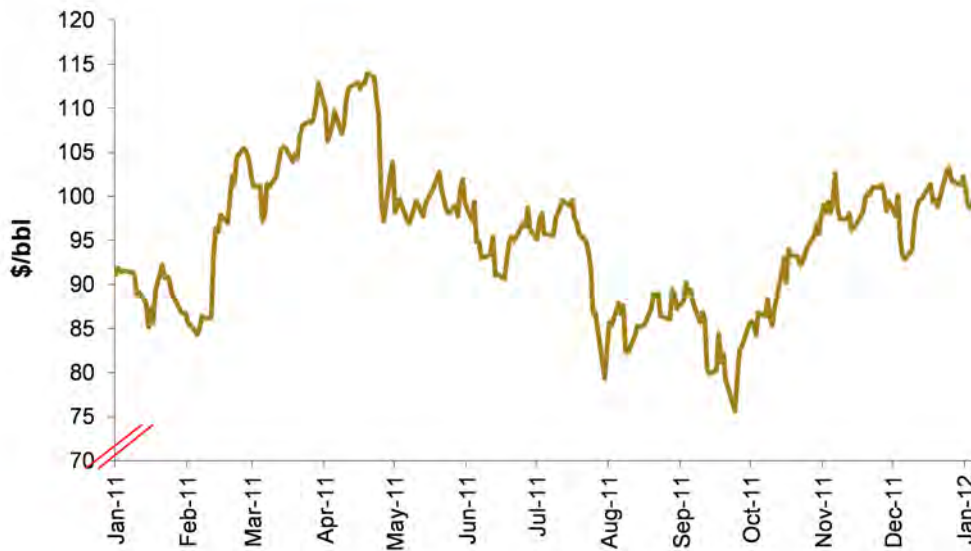
## GMA expects profits to hit P3B in 2012

- In GMA Network's trade lunch yesterday, company chief executive officer, Felipe L. Gozon said that they are expecting a big improvement this year in terms of profits due to increase in ad spending from advertisers. Gozon added that the media network's sales group had already initiated negotiations with potential advertisers and 70% of their target revenues had already been covered from ad commitments. 3Q`11 profits of GMA fell 30% last year to P1.58B as advertisers hold off advertising expenses in view of a worsening global economy.

## Ayala Land to co-develop Alveo Land's High Street South with Evergreen Holdings

- Ayala Land confirmed reports from BusinessMirror yesterday that the company is co-developing Alveo Land's High Street South with Evergreen Holdings, Inc. Alveo and Evergreen each contributed 50% for the development of the 7.6 hectare property in partnership with Fort Bonifacio Development Corp. The mixed-use complex will have an estimated development cost of P60B, "initially assuming a purely residential development of up to 18 buildings with retail component." The entire project is planned to be developed over a 25-30 years' time span.

**Nymex Crude 1-Yr Price Chart**



Source: Bloomberg

## CURRENCIES

US, Dollar	43.6860
Japan, Yen	0.5687
UK, Pound	66.9925
Hong Kong, Dollar	5.6260
EU, Euro	55.6691
Bahrain, Dinar	115.9149
Saudi Arabia, Rial	11.6496
China, Yuan	6.9178

As of 1/18/2011

## COMMODITIES

NYMEX		
Crude	100.71	↑ 2.04%
Futures		
NY Gold	1,653.90	↑ 0.74%
Spot (\$/t oz.)		
Silver Comex	30.01	↑ 0.27%
(\$/t oz.)		
London		
Copper Spot	8,188.00	↑ 1.37%

As of 1/17/2011

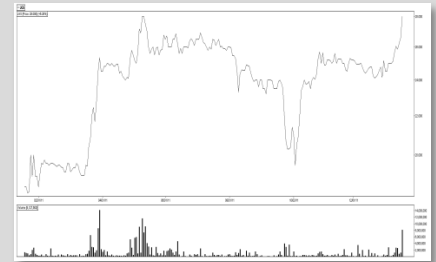


# JG Summit Holdings (JGS)

## Upgrade Target

### Company Snapshot

Price (P)	28.00
Price Target (P)	30.25
Shares O/S (million)	6,740
Market Cap (P million)	188,720
52-week High (P)	28.40
Low (P)	17.92
12-mo Avg. Value T/O (P'm)	138.2
Shareholders	
Gokongwei Bro. Foun.	29.4%
Free float	40.0%



### Price Performance

	1m	6m	12m
JGS	+13.1%	+6.0%	+47.2%
PSEi	+8.7%	+4.5%	+14.9%

## Value unleashed

- **New high for TEL.** PLDT's share price is reaching new highs as potential synergy gains with the Digitel acquisition are factored in. This is now also being reflected in JG Summit's price and NAV computation as the conglomerate becomes one of the largest shareholders of PLDT. Yrat-to-date, JGS is the top performing holding company with an 11.3% gain, mirroring PLDT's 11.2% rise.
- **Upgrade target.** Our previously set P28.50 target for JGS is nearly met. Given our revised P3,000 target for PLDT, we also slightly raise our NAV per share estimate for JGS to P33.60. By ascribing a 10% conglomerate discount, we arrive at a new fair value estimate of P30.25.

<b>JG Summit</b>	
<b>Market Cap</b>	<b>188,720</b>

	Stake	Valuation	JGS's claim	EV %
<b>Listed investments</b>				
PLDT	8.0%	606,055	48,424	21%
Universal Robina	61.4%	111,573	68,450	29%
Robinsons Land	60.0%	35,706	21,427	9%
Cebu Pacific	69.6%	42,191	29,365	12%
United Industrial	35.9%	130,168	46,704	20%
			<b>214,370</b>	<b>91%</b>
<b>Non-listed investments</b>				
			<b>21,158</b>	<b>9%</b>
<b>Enterprise value</b>			<b>235,528</b>	<b>100%</b>
Less: Parent net debt / (cash) estimate			<b>12,040</b>	
<b>Equity value</b>			<b>223,488</b>	
Shares outstanding			<b>6,740</b>	
<b>Value per share</b>			<b>33.16</b>	
Prem / (disc) to current price			<b>-15.6%</b>	

Source: Wealth Securities estimate, company data

**Bernard C. Aviñante**  
T: 634.5038 local 8164  
E: bernardavinante@wealthsec.com

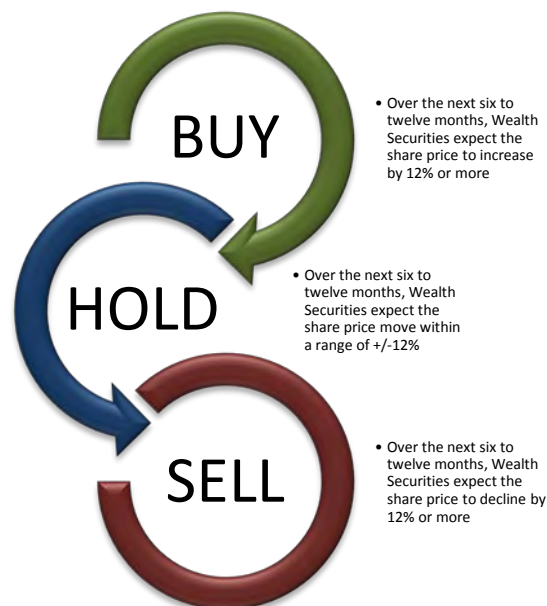
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### RATINGS DEFINITION



Jerome Gonzalez  
Research Head  
T: 634.5038 local 8127  
[jerome@wealthsec.com](mailto:jerome@wealthsec.com)

Nikki Yu  
Media & Transport  
T: 634.5038 local 8150  
[nikki.yu@wealthsec.com](mailto:nikki.yu@wealthsec.com)

Bernard Aviñante  
Conglomerates & Power  
T: 634.5038 local 8121  
[bernardavinante@wealthsec.com](mailto:bernardavinante@wealthsec.com)

ND Fernandez  
Banking & Telcos  
T: 634.5038 local 8152  
[ndfernandez@wealthsec.com](mailto:ndfernandez@wealthsec.com)

Miguel Agarao  
Mining & Property  
T: 634.5038 local 8164  
[miguel.agarao@wealthsec.com](mailto:miguel.agarao@wealthsec.com)

Kevin Cua  
Food & Beverage  
T: 634.5038 local 8165  
[kevin.cua@wealthsec.com](mailto:kevin.cua@wealthsec.com)



Wealth Securities, Inc.  
2103 East Tower, PSE Center,  
Exchange Road, Ortigas Center,  
Pasig City 1600  
Telephone: 02.634.5038  
Facsimile: 02 634 5043

[www.wealthsec.com](http://www.wealthsec.com)