



WEALTH SECURITIES

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THE WEALTH VAULT

A Product of Wealth Securities, Inc.

WEDNESDAY, 25 January 2012

Index	Value	Change	% Chg	
PSEi	4,714.35	33.55	0.7066	↑
All Shares	3,178.31	14.84	0.4647	↑
Financials	1,051.29	2.25	0.2136	↑
Industrial	7,252.67	53.38	0.7306	↑
Holding Firms	3,747.87	27.14	0.7189	↑
Property	1,680.21	15.69	0.9252	↑
Services	1,775.24	10.68	0.598	↑
Mining & Oil	25,717.31	27.52	0.1069	↑

JANUARY

24

2012

WORLD INDICES

Dow Jones	12,675.80	-33.07
FTSE 100	5,751.90	-30.66
NIKKEI 225	8,785.33	+19.43

TRADING SNAPSHOT

Index Movers	Points
Globe Telecom	↓6.12
SM Prime Holdings	↓4.94
Alliance Global Inc.	↓3.37
Metro Pacific Investments	↓3.22
Jollibee Food Corp.	↓2.60

Index Out-performers	Up
Banco De Oro	1.41%
Belle Corp.	1.03%
Bank of the Phil. Islands	0.25%
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Index Under-performers	Down
Globe Telecom	6.21%
Metro Pacific Investments	3.30%
Robinsons Land Corp.	3.02%
SM Prime Holdings	2.69%
Jollibee Foods Corp.	2.52%

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

24 Jan 2011:	4,714.35	- 33.55
Value T/O, net	Php	3,459 million
52-week High	4,747.90	
Low	3,705.18	
Foreign Buying:	Php	6,893 million
Foreign Selling:	Php	1,375 million



HEADLINES

US stocks edge lower on Greece concerns and earnings

➤ US stocks ended slightly lower on yesterday's (Jan 24) trading as concerns that Greece might default signaled caution on investors. The Dow and the S&P ended red with the former declining 0.26% while the latter falling 0.10%. The Nasdaq on the other hand managed a slight gain of 0.09%. S&P commented yesterday that Greece is likely to default signaling some caution on investors. In addition to the new developments on Europe, mixed results from earnings reports also added to yesterday's indecision. Apple shares rose 9% to US\$457.12 in after-hours trading after the company announced earnings that beat analysts' expectations. Verizon Communications, Inc. and Travelers Cos, Inc. however disappointed as their stocks declined 1.6% and 3.8% respectively during trading. McDonalds meanwhile reported stronger than expected December sales, although the company failed to beat income expectations. Shares of McDonalds fell 2.2% as a result.

Cebu Pacific expects healthy profits for 2012

➤ In Cebu Pacific's groundbreaking of its new flight school in Clark, Pampanga, company president and chief executive officer Lance Y. Gokongwei reportedly commented that the company expects to show "healthy" profits for 2012 although he noted that results will still depend primarily on fuel prices. Fuel cost accounted for 50% of the company's expenses last year. Nonetheless, Gokongwei expects faster growth this year compared to 2011 as the Philippine economy takes on a bullish stance.

Atlas Consolidated Mining and Development Corp. avails P129M loan from BDO

➤ Atlas Consolidated Mining and Development Corp. disclosed that its Board had approved the availment of P129M credit facility from Banco De Oro Unibank, Inc., proceeds of which will be used to finance the company's working capital requirements.

FPUC enters Share Purchase Agreement re. sale of 2.66% Meralco stake

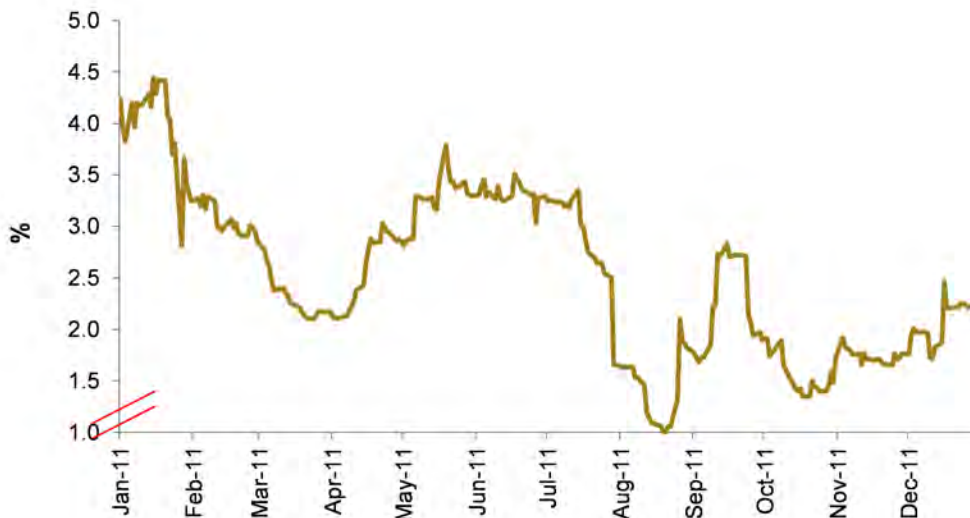
➤ First Philippine Utilities Corporation (“FPUC”), a wholly-owned subsidiary of First Philippine Holdings Corporation (“FPH”), has entered into a Share Purchase Agreement relating to the sale of its 2.66% stake in the Manila Electric Company (“Meralco”) to Beacon Electric Asset Holdings, Inc., a unit of Metro Pacific Investments (MPI) and PLDT. The sale covers 30 million shares of Meralco at a price of P295 per share for a total consideration P8.85 billion. After completion of the transaction, FPH, thru FPUC, will continue to own approximately 3.9% of Meralco. The Lopez Group will also retain a board seat in Meralco in spite of the diminished stake.

➤ **ANALYSIS** *There are two things worth noting in this sale: the size and the timing. We believe that the move was clearly meant to avert the tender offer trigger at 50.1%. Recall that the Lopez Group has a standing put option with Beacon on its remaining 6.56% Meralco holdings, which expires this November. An exercise on the whole 6.56% will mean a tender offer to the remaining shareholders, including the San Miguel group which owns 33.2% of the distribution utility. Sale of the 2.66% stake raises the combined ownership of MPI and PLDT in Meralco to only 48.02%. The sale came in quite early since the deadline is still ten months away. MPI even borrowed to fund the acquisition. We think that the recent ruling on the controversial Lubrica shares, which proclaimed Land Bank (LBP) as the rightful owner of the Meralco shares, affected the timing. Note that these shares, totaling 37 million (from the original 42 million), could be put to auction eventually. A potential sale to Beacon, assuming LBP bids out the shares, will also bring its ownership stake to the 48% level. This would mean a potential opportunity loss on the part of the Lopezes.*

Jollibee Foods Corp. completes buy-in of SuperFoods Group

➤ See separate WealthSec report.

PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.

CURRENCIES

US, Dollar	43.299
Japan, Yen	0.5625
UK, Pound	67.4122
Hong Kong, Dollar	5.5799
EU, Euro	56.4099
Bahrain, Dinar	114.885
Saudi Arabia, Rial	11.5461
China, Yuan	6.8547

As of 1/24/2011

COMMODITIES

NYMEX		
Crude	99.42	↑ 0.98%
Futures		
NY Gold		
Spot (\$/t oz.)	1,676.90	↑ 0.81%
Silver Comex		
(\$/t oz.)	32.31	↑ 0.50%
London		
Copper Spot	8,353.25	↑ 1.78%

As of 1/23/2011





Jollibee Foods Corp. (JFC)

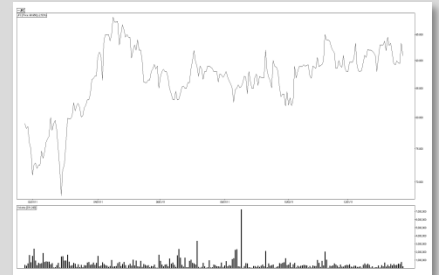
Hold

Company Snapshot

Price (P)	90.95
Price Target (P)	95.00
Shares O/S (million)	1,038
Market Cap (P million)	94,381
52-week High (P)	98.60
Low (P)	67.60
12-mo Avg. Value T/O (P'm)	21,016

Price Performance

	1m	6m	12m
JFC	-1.0%	+4.4%	+13.0%
PSEi	+7.8%	-2.4%	+14.8%



Super acquisition

- **More acquisition.** Jollibee Foods Corporation disclosed yesterday that its subsidiary, Jollibee Worldwide Pte.Ltd., had completed its acquisition of a 50% stake in SuperFoods Group, giving JFC 49% share in SF Vung Tau Joint Stock Co. in Vietnam and a 60% share in Blue Sky Holding Limited in Hong Kong. The acquisition was completed under a Framework Agreement signed May 20 of last year wherein JFC agreed to invest US\$25M for a 50% stake in SuperFoods, and US\$35M loan to Viet Thai International Joint Stock Co., which owns the remaining 50% of SuperFoods. JFC also advanced US\$5.0M to SuperFoods group.
- **In line with strategy.** The buy-in of Jollibee into SuperFoods Group is in line with JFC's strategy to expand in China and Southeast Asia as it aims to increase its foreign sales to 50% of its total. JFC divested its stake in Caffe Ti-Amo last November in anticipation of the commencement of its new businesses in the said territories. JFC's buy-in to SuperFoods increases the company's international presence as the latter holds operations in Vietnam, Indonesia, Philippines, Hong Kong and Macau. JFC acquired Yonghe Dawang in 2004; 70% of Lao Dong and Chun Shui Tang tea house in 2006; and signed a P2.5B deal with Hong Zhuang Yuan in 2007 in line with this strategy. According to JFC's disclosure, SuperFoods books annual sales of about US\$30M although net results from JFC's 50% stake in SuperFoods will only reflect as Other Income in JFC's Consolidated Financial Statements.

Jollibee Foods Corporation Stores					
Store Brand	end- Dec 2010	Net Additions, Jan-Jun 2011	end-Jun 2011	Net Additions, Jul-Dec 2011	end-Dec 2011
Jollibee	700	28	728	19	747
Chowking	408	(7)	401	(10)	391
Greenwich	223	(8)	215	(10)	205
Red Ribbon	214	(1)	213	(5)	208
Delifrance	24	(24)	0	0	0
Manong Pepe's	15	(15)	0	0	0
Caffe Ti-amo	2	1	3	(3)	0
Mang Inasal	0	379	379	50	429
Burger King	0	0	0	23	23
Total - Philippines	1,586	353	1,939	64	2,003
Jollibee	60	10	70	8	78
Chowking	35	5	40	(1)	39
Red Ribbon	36	2	38	(4)	34
Yonghe King	177	49	226	39	265
Hong Zhuang Yuan	49	2	51	1	52
Total - International	357	68	425	43	468
Total - Worldwide	1,943	421	2,364	107	2,471

Source: Wealth Securities estimate, company data

A = Actual calendar/fiscal year results; C = Bloomberg consensus; I = Annualized interim results; E = Wealth Securities estimates

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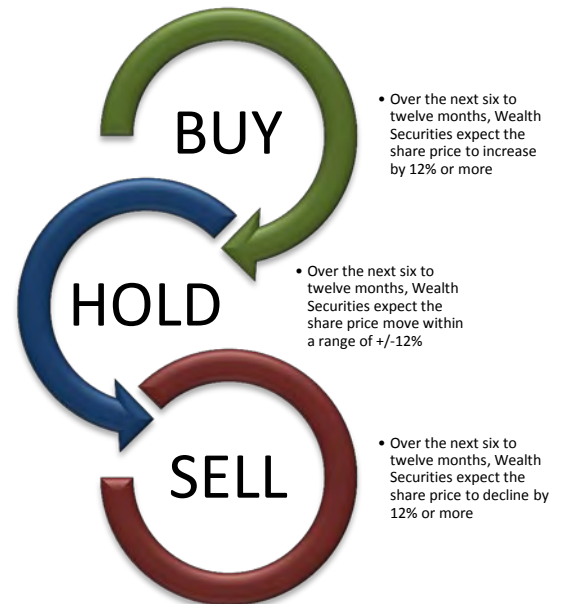
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RATINGS DEFINITION



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