



WEALTH SECURITIES

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THE WEALTH VAULT

A Product of Wealth Securities, Inc.

WEDNESDAY, 09 May 2012

Index	Value	Change	% Chg	
PSEI	5,242.06	12.53	0.2396	↑
All Shares	3,467.41	12.66	0.3665	↑
Financials	1,379.83	5.00	0.3922	↑
Industrial	7,924.69	34.53	0.4376	↑
Holding Firms	4,602.50	56.34	1.2393	↑
Property	1,920.68	21.63	1.1136	↓
Services	1,717.75	7.08	0.4105	↓
Mining & Oil	25,852.26	183.30	0.7141	↑

MAY

09

2012

WORLD INDICES

Dow Jones	12,932.09	-0.59%
FTSE 100	5,554.55	-1.78%
NIKKEI 225	9,181.65	+0.69%

TRADING SNAPSHOT

Index Movers	Points
Ayala Land Inc.	-9.51
Ayala Corp.	+5.77
SM Investments Corp.	+5.70
JG Summit Holdings	+4.86
PLDT	-4.48

Index Out-performers	Up
JG Summit Holdings	2.94%
Megaworld Corp.	2.80%
Metro Pacific Investments Corp.	2.45%
Ayala Corp.	2.41%
Universal Robina Corp.	2.26%

Index Under-performers	Down
Ayala land Inc.	2.74%
SM Prime Holdings	1.23%
Globe Telecom	0.81%
Aboitiz Equity Ventures	0.66%
PLDT	0.63%

CALENDAR

May 04	Q1 '12 CPI, Inflation Report
May 07	Apr '12 GIR
May 08	GLO 1Q'12 Results Briefing
May 09	ALI 1Q'12 Results Briefing



PSEi Index

08 May 2012:	5,242.06 + 12.53
Value T/O, net	Php 3,741 million
52-week High	5,300.52
Low	3,715.01
Foreign Buying:	Php 1,863 million
Foreign Selling:	Php 2,627 million



HEADLINES

US stocks fall on developments in Europe

➤ US stocks declined yesterday (May 08) as fears that Greece might refuse a bailout roiled the market. All three major indices posted sizeable losses with the Dow declining 0.59%; the S&P, 0.43%; and the Nasdaq, 0.39%. Stocks spend most of the session sharply lower but a late rally minimized losses. Concerns that Greece's leftist leader, Alexis Tsipras, might renounce terms of an international bailout renewed concerns on Europe's economic stability. In France, the election of anti-austerity socialist Francois Hollande as president also added to the negative sentiments. Sectors heavily tied to the economy were among yesterday's worst performers while sectors which are considered safe havens such as telecoms and utilities performed relatively well.

Globe Telecom records 7% drop in core net income

➤ Globe Telecom's core net income fell 7% YoY to P2.74B for the first quarter of the year due to higher expenses. Revenues on the other hand rose 6% YoY to a record P20.2B. Mobile revenues recorded a 6% jump YoY to P16.6B while broadband revenues rose 13% to P2.02B. EBITDA was down 5% YoY from P9.1B to P8.7B while operating expenses grew 16% to P11.6B. Marketing expenses grew in an effort to attract more subscribers and recontract open postpaid customers. The expenses also reflected the company's continued investments in network infrastructure upgrades.

ePLDT invests P6B in TV5 and Cignal TV

➤ ePLDT, a wholly owned subsidiary of PLDT, announced a P6B investment in TV5 and Cignal TV which will be in the form of Philippine Depositary Receipts. The funds will be used to sustain TV5's and Cignal TV's growth momentum. Of the amount, P4.8B will go to TV5 for the construction of its main office in Mandaluyong, while P1.2B will go to Cignal TV.

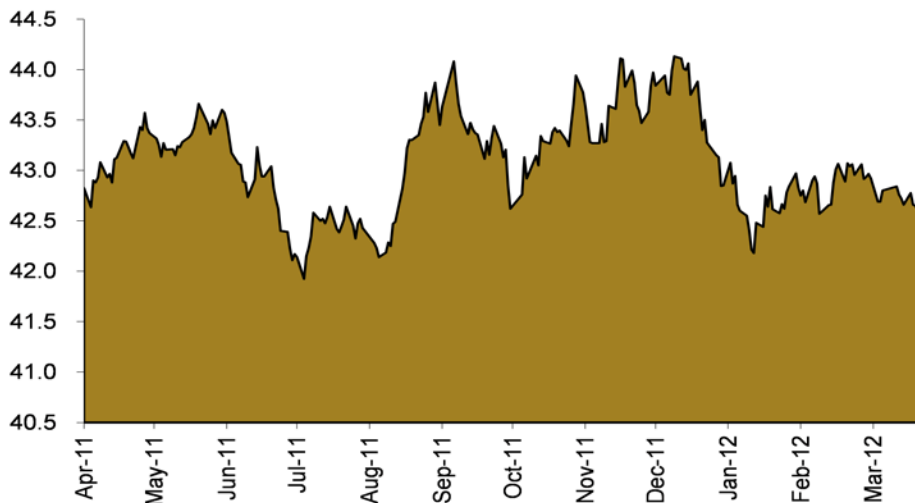
Nickel Asia posts 16% drop in revenues

- NIKL's 1Q12 revenues dropped by 16% to PhP 1.75 billion a result of lower nickel prices. EBITDA was down nearly half to PhP 698 million while net income was down 33% to PhP 285 million. For shipments sold based on LME prices, average price for payable nickel was \$8.78/lb. in 1Q12 versus \$11.63/lb. in 1Q11. Fortunately, as a result of the Indonesia raw nickel ore export ban, shipments sold to China based on negotiated prices per WMT were higher in 1Q12 with an average price of \$22.58/WMT versus \$21.36/WMT in 1Q11. The impact of the drop in nickel prices was partially offset by the increase in sales volume, which was up 28% YoY to 1.82 million WMT.
- *NIKL's results are tracking below our forecast. However, this can be attributed to the shipment of lower grade limonite ore to the Coral Bay processing facility, which accounted for about 1/2 of 1Q12 shipments. The contract renegotiation with Japanese customers as well as the relatively higher prices paid by the Chinese customers helped offset the precipitous drop in nickel prices. Operating cash costs on a per WMT basis was up just about 5%. As far as operational efficiency is concerned, NIKL is still one of the best in the country. It is important to note that while the ban on Indonesia raw ore exports is a significant catalyst, earnings growth should not be expected until next year. The Taganito HPAL, another significant earnings booster, which will start full year operations in 2014, is still more than a year away. The full impact of these catalysts should be felt in the years to come. Thus, we retain our HOLD recommendation on NIKL.*

Vista Land share buyback program update

- As part of its share buyback program, VLL bought back 10.6M shares from April 26 - May 7 at an average price of PhP 4.30 per share. As of May 7, outstanding shares amount to 8,488,474,614 shares while treasury shares have risen to 50,266,000.
- *The resumption of the share buyback program sends a strong message that the company still thinks its stock is undervalued. We maintain our BUY recommendation on VLL with a target of PhP 6.14/share.*

Php versus US\$: 1-Year Price Chart



Source: Philippine Dealing and Exchange Corp.

CURRENCIES

US, Dollar	42.3840
Japan, Yen	0.5305
UK, Pound	68.6197
Hong Kong, Dollar	5.4609
EU, Euro	55.3154
Bahrain, Dinar	112.4304
Saudi Arabia, Rial	11.3021
China, Yuan	6.7192

As of 5/08/2012

COMMODITIES

NYMEX		
Crude	97.01	-0.95%
Futures		
%NY Gold		
Spot (\$/t oz.)	1,603.60	-2.09%
Silver Comex		
(\$/t oz.)	29.43	-2.16%
London		
Copper Spot	8,192.50	-0.74%

As of 05/08/2012



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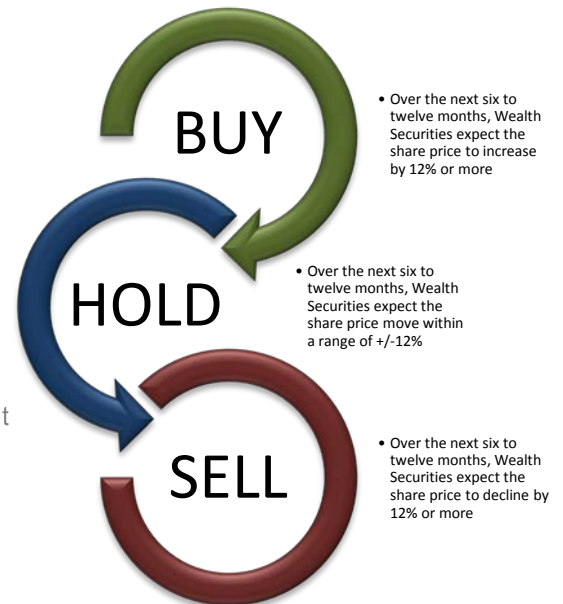
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RATINGS DEFINITION



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