



## WEALTH SECURITIES

Backed by a research group of analysts with over 25 years of experience in equity securities

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, 28 June 2012

Index	Value	Change	% Chg
<u>PSEi</u>	5,257.92	64.08	1.23 ▲
<u>All Shares</u>	3,449.07	37.62	1.10 ▲
<u>Financials</u>	1,292.31	9.43	0.74 ▲
<u>Industrial</u>	7,825.89	53.59	0.69 ▲
<u>Holding Firms</u>	4,493.15	66.08	1.49 ▲
<u>Services</u>	1,786.92	32.66	1.86 ▲
<u>Mining and Oil</u>	24,780.70	244.87	1.00 ▲
<u>Property</u>	1,904.13	16.6	0.89 ▲

JUNE

28

2012

### WORLD INDICES

<b>Dow Jones</b>	12,627.01	+0.74%
<b>FTSE 100</b>	5,523.92	+1.41%
<b>NIKKEI 225</b>	8,730.49	+0.99%

### TRADING SNAPSHOT

Index Movers	Points
SM Investments Corp.	+11.34
PLDT	+11.15
Aboitiz Power Corp.	+6.61
Aboitiz Equity Ventures	+6.41
ICTSI	+6.38

Index Out-performers	Up
Belle Corp.	8.11%
Aboitiz Power Corp.	4.61%
Megaworld Corp.	3.85%
ICTSI	3.64%
SM Investments Corp.	2.54%

Index Under-performers	Down
Alliance Global Inc.	1.50%
Universal Robina Corp.	1.45%
Ayala Land Inc	0.46%
Semirara Mining Corp.	0.45%
San Miguel Corp.	0.43%

### CALENDAR

<b>Jun 22</b>	EEI ASM
<b>Jun 22</b>	UB, KB NPL Press Release; Q1 BoP Press Release
<b>Jun 27</b>	PX, CPG ASM
<b>Jun 28</b>	SGI ASM



### PSEi Index

27 Jun 2012:	5,257.92 + 64.08
Value T/O, net	Php 6,106 million
52-week High	5,329.76
Low	3,715.01
Foreign Buying:	Php 4,784 million
Foreign Selling:	Php 3,213 million



## HEADLINES

### US stocks gain on better than expected economic data

Ø US stocks edged higher yesterday (Jun 27) as better than expected economic pushed the market higher. All three major indices posted gains with the Dow rising 0.74%; the S&P, 0.90%; and the Nasdaq, 0.74%. Sales of long-lasting US manufactured goods unexpectedly rose in May, while signed contracts for home purchases jumped to a seven month high. The stronger than expected economic reports overshadowed concerned on Europe's ongoing debt crisis. A European Union summit is set to start tomorrow although expectations on the outcome of the meeting are still low. Energy stocks led yesterday's advance as oil prices close above US\$80 per barrel. Healthcare stocks also rose as the US Supreme Court is set to announce its decision on Obama's 2010 healthcare law

### SMC to issue P80B worth of preferred shares

Ø San Miguel Corp has filed documents with the Securities Exchange Commission (SEC) to issue 960 million of cumulative, nonvoting, nonparticipating, nonconvertible Series 2 preferred shares at a maximum price of P75.00 per share as well as an additional 107 million Series 2 preferred shares for a total of 1.067 billion preferred shares. Shares will be issued in the primary market on August 7 to 31 and will be listed in October. Including the over-allotment option, a total of P80.025 billion is expected to be raised. The purpose of the issuance is to redeem all preferred shares issued to stockholders and to the government three years ago and to fund general corporate purposes.

### Belle Corp. in talks with James Packer and Melco

Ø SM Investments Corp. confirmed reports that Belle Corp. is in talks with James Packer and Melco for a deal in its casino project. The Australian Financial Review newspaper reported that Packer and Ho were set to sign a deal with the Sy family to expand their casino empire into the Philippines.

## RFM to issue property dividends

- Ø In a disclosure, RFM said that it will offer its shareholders 1 Philtown property share for every 77 RFM shares. Ex-date is on July 6, 2012. Philtown Properties, Inc. (formerly Philippine Townships, Inc.), the property company, is presently owned 19% by RFM as 66% of the outstanding shares were declared as property dividends in 2008 and 15% in April 2009. The company remains committed in liquidating its landholdings through the development of middle income housing enclaves. It also builds condominium projects in saleable areas in Fort Bonifacio, Rockwell, and Taft.
- Ø *With a purchase of 77,000 RFM shares at Php3.00 or an investment cost of Php231,000, one gets property dividend of P3,490 (1000 shares of Philtown Property). Assuming the property dividend and RFM opens unchanged on its ex-date, one gets an effective dividend yield of 1.51%.*

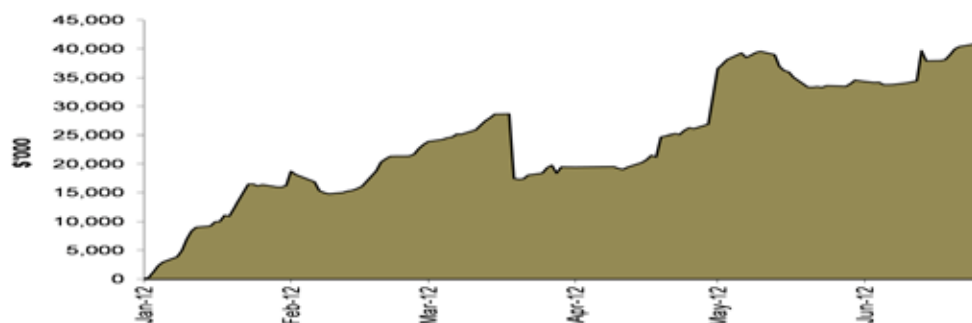
## RFM posts P241M net income for 5M2012

- Ø RFM Corporation reached Php240.98 million in net income for the period January-May 2012, up by about 40% over the same period last year. Sales for the first five months of the year climbed to P4.32 billion, higher by 10% over last year. Earnings gained momentum with better margins from its production processes, due to the easing of commodity cost inputs such as milk and sugar that started in the second half of last year. Outperformance of Selecta Ice cream, particularly its new product Magnum, and consistent market share leader White King Fiesta provided the growth in earnings.

## PGOLD details Parco Supermarket acquisition

- Ø Puregold Price Club provided more details in its recent disclosure about the Parco Supermarket acquisition, for its investor roadshow this June 28, 29 2012 in Singapore. According to company data, 19 Parco supermarkets were acquired by Puregold for Php760 Mil pesos or an estimated 7.6X 2012 P/E. Parco Supermarkets' 2011 gross revenues amounted to Php3.6 Bil, with gross margin of 9%.
- Ø *Parco Supermarkets' gross margin is just 9% in 2011 compared to PGOLD's supermarkets average' gross margin which is 16%. Puregold, with its distribution network can reap economies of scale with the acquisition, and is better capitalized to improve Parco's financial performance. Puregold at Php27.60 is trading at 23.79X 2012 Forward P/E.*

## Foreign Buying-Selling : YTD



Source: PSE

## CURRENCIES

US, Dollar	42.5030
Japan, Yen	0.5350
UK, Pound	66.4832
Hong Kong, Dollar	5.4778
EU, Euro	53.1032
Bahrain, Dinar	112.7461
Saudi Arabia, Rial	11.3341
China, Yuan	6.6798

As of 6/27/2012

## COMMODITIES

NYMEX		
Crude	80.21	+1.07%
Futures		
%NY Gold	1,577.40	+0.28%
Spot (\$/t oz.)		
Silver Comex	26.91	-0.33%
(\$/t oz.)		
London	7,419.75	+0.63%
Copper Spot		

As of 06/27/2012





# Ayala Land, Inc. (ALI)

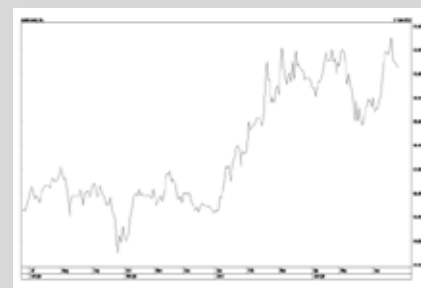
Hold

## Company Snapshot

Price (P)	21.25
Price Target (P)	19.80
Shares O/S (million)	13,043
Market Cap (P million)	277,167
52-week High (P)	22.85
Low (P)	13.36
12-mo Avg. Value T/O (P'm)	158.7
Shareholders	
Ayala Corporation	53%
Free float	46%

## Price Performance

	1m	6m	12m
ALI	+38.9%	+38.5%	+8.4%
PSEi	+22.6%	+20.6%	+6.2%



## Sold in One Day

- Ø **Exclusivity pays.** 4 days ago, ALI had a one-day priority selling event for the 298-unit luxury vertical residence tower, The Suites at One Bonifacio High Street. Exclusively for the company's valued clients, all but 8 units had been sold by the end of the day.
- Ø **The ALI brand name demands a premium price.** The Suites is an all-suite residence with 2, 3 and 4-bedroom units. Priced at an average of PhP 180,000 per square meter, The Suites is the epitome of luxury as far as condominiums are concerned. At such a price point, it would be very difficult for other developers to effectively market and sell the units. However, by virtue of its premium brand, Ayala Land Premier, ALI just needed one day to sell practically all the units, making The Suites the fastest-selling project of ALI to date.
- Ø **Strategic location enticed the elite.** With Shangri-la Hotel, the future Philippine Stock Exchange building and Bonifacio High Street in the same location, many of the business elite were the buyers. This group alone was more than enough to absorb all the units being sold.
- Ø **Upgrade pending.** Although we still have a hold rating on ALI, we will be reviewing our forecasts in light of the company's superb sales performance this year.

## Financial and Valuation Highlights

in P'million	2009A	2010A	2011A	2012E	2013E
Revenues	27,738	35,408	44,206	48,366	52,394
Operating profit	5,670	7,419	10,710	11,631	14,583
Core net profit	3,979	5,398	7,140	7,351	9,211
EPS (P)	0.31	0.41	0.55	0.56	0.71
EPS Growth (%)	-16.2	35.7	30.7	3.0	25.3
ROE (%)	8.1	10.1	11.8	10.9	12.5
P/E (x)	37.3	39.9	35.0	34.2	27.0
P/B (x)	2.9	3.9	3.8	3.6	3.2
Gross margin (%)	31.4	29.5	31.7	31.0	34.0
Dividend yield	0.5	0.6	0.8	0.9	1.3

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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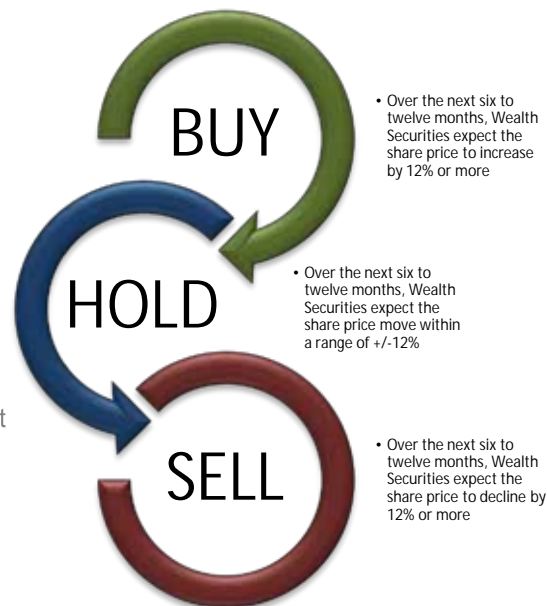
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## RATINGS DEFINITION



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