



## WEALTH SECURITIES

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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.

WEDNESDAY, 15 August 2012

Index	Value	Change	% Chg
PSEi	5,265.94	-5.84	0.11 ▼
All Shares	3,486.58	-6.96	0.20 ▼
Financials	1,311.67	1.85	0.14 ▲
Industrial	7,888.47	-5.79	0.07 ▼
Holding Firms	4,426.70	6.43	0.15 ▲
Services	1,770.71	-5.65	0.32 ▼
Mining and Oil	21,434.43	9.82	0.05 ▲
Property	2,034.31	-8.96	0.44 ▼

AUGUST

15

2012

### WORLD INDICES

<b>Dow Jones</b>	13,172.14	+0.02%
<b>FTSE 100</b>	5,864.78	+0.56%
<b>NIKKEI 225</b>	8,950.53	+0.23%

### TRADING SNAPSHOT

Index Movers	Points
Ayala Land Inc.	-5.80
SM Investments Corp.	+4.39
PLDT	-3.33
Manila Water Company	+2.26
Alliance Global Inc.	-2.08

Index Out-performers	Up
Manila Water Company	2.48%
First Gen Corp.	2.21%
Megaworld	1.77%
SM Development Corp.	1.15%
SM Investments Corp.	0.94%

Index Under-performers	Down
Alliance Global Inc.	1.62%
Jollibee Foods Corp.	1.50%
Ayala Land Inc.	1.50%
Robinsons Land Corp.	1.35%
Meralco	1.22%

### CALENDAR

<b>Aug 04</b>	V ASM
<b>Aug 07</b>	Jul'12 CPI, Inflation Rate
<b>Aug 10</b>	ACE ASM
<b>Aug 10</b>	JTE SSM



### PSEi Index

14 Aug 2012:	5,265.94 - 5.84
Value T/O, net	Php 2,415 million
52-week High	5,403.16
Low	3,715.01
Foreign Buying:	Php 1,624 million
Foreign Selling:	Php 1,919 million



## HEADLINES

### US stocks end flat after S&P rallied in seven out of eight sessions

Ø US stocks ended relatively flat yesterday (Aug 14) as the market shows signs of fatigue after the S&P had rallied for seven out of the past eight sessions. The Dow ended 0.02% higher, while the S&P and the Nasdaq declined 0.01% and 0.18% respectively. The US government reported that retail sales were the strongest in five months in July. Strong earnings and higher earnings forecast from Home Depot also boosted share prices of retailers with the S&P Retail Index rising 0.9%. In other notable movements, Estee Lauder jumped 9.3% after reporting higher than expected quarterly profits. Groupon meanwhile plunged 27% after missing quarterly revenue expectations and giving a cautious profit outlook.

### JFC Sales Up 12.1% in 2Q2012, Net Income Grows 32%

Ø Jollibee Group's Systemwide Retail sales in 2Q2012 grew to P22.9B (+12.1% YOY). 5% of the growth came from the store network expansion, 5% came from worldwide same store sales growth and the remaining 2.1% came from the acquisition of San Ping Wang in Guangxi Province last March 2012 as well as the acquisition of Burger King last October 2011. A total of 91 new stores were opened in the 1H2012, 51 in the Philippines and 40 abroad. Foreign businesses sales grew by 24.7% with China growing by 30.9%, South east Asia and the Middle East business growing by 22.5% and the United States growing 13.3%. The Philippine business system wide sales grew by 9.5% YOY. JFC's 1H2012 System wide sales grew to P44.5B (+13.5% YOY). Net income attributable to equity holders for 2Q2012 registered at P944M (+32% YOY) primarily due to lower financing costs and tax savings. Net profit margin for 2Q2012 improved to 5.3% versus 4.6% last year. 1H2012 margins improved to 4.8% versus 4.6% last year.

## Ayala Land wins Food Terminal Inc (FTI) property

Ø Ayala Land Inc. was declared the highest bidder on Tuesday for a 74-hectare portion of the Food Terminal Inc. property in Taguig City, besting Empire East Land Holdings Inc. and Robinsons Land Corp. Only the three companies submitted bidding documents in time. ALI, RLC and ELI offered P23.9B, P14.7B and P11.2B respectively for the property (the floor price was at P10.2B). ALI will pay P19.5B in cash within 60 business days and the balance within the year.

## Filinvest Land's First Half 2012 Net Income Rises by 19%

Ø Filinvest Land, Inc. reported that its net income for 1H2012 rose to P1.5 B (+19% YOY.) on the back of a 24% increase in total revenues to P5.2 B. The growth was fueled by the 28% increase in real estate sales to P 3.8 B. Rental Income, generated from Festival Supermall, PBCom Tower and Northgate Cyberzone in Filinvest Corporate City, Alabang, on the other hand, contributed P 854 M to total revenues, or 16% more than 1H11's P738 M. Sales take-up generated in 1H2012 reached P 6.9 B (+21% YOY.) In 2012, FLI is targeting to spend P15 B for capital expenditures (+ 25% YOY.) The bulk is earmarked for the construction of the various residential projects of FLI, covering all market segments. New projects targeted for launch in 2012 include a condotel at Timberland Heights and two new mid-rise building (MRB) projects within Metro Manila. 2012's capex also includes P2.5 B for additional office and retail space. This is to support FLI's target of doubling the GLA of its BPO office buildings by 2015 from the end-2011 level.

## Megaworld 1H2012 Net Income Hits P3.69 B

Ø Premier developer Megaworld Corporation announced that its core net income for 1H2012 hit P3.7 B (+ 15% YOY.) This is net of a P1.95 B non-recurring gain due to the sale of shares of its parent firm Alliance Global Group Inc. from the previous year. Megaworld's growth is at the back of the continued strength of its residential real estate sales and BPO office rental portfolios. Consolidated revenues amounted to P15.4 B( +12% YOY.) Rental income from Megaworld's BPO office and retail developments grew to P2.26 B (+39% YOY.)

## GMA 1H2012 Income Slightly Down 4% to P1.01 B

Ø GMA7's Revenues for 1H2012 stood at P6.8 B (+1% YOY) with 2Q2012 airtime revenues contributing an increase of 6% YOY and subscription staying flat (-0.2% YOY.) Total operating expenses increased 1% YOY to P4.4 B. Net income fell to P1.01 B (-4% YOY) for 1H2012.

## Asian Holdings Corporation Sells SEVN Shares

Ø Pursuant to the disposal of 250,000 PSC shares at average price of Php68.00 per share and 450,000 PSC shares at closing price of Php70.00 per share by Asian Holdings Corporation (AHC) last August 10, 2012 through the Philippine Stock Exchange, AHC is now the direct beneficial owner of 33,350,476 common shares or 9.62% of the outstanding capital stock of PSC.

## CURRENCIES

US, Dollar	41.8640
Japan, Yen	0.5347
UK, Pound	65.6679
Hong Kong, Dollar	5.3968
EU, Euro	51.4676
Bahrain, Dinar	111.0510
Saudi Arabia, Rial	11.1640
China, Yuan	6.5824

As of 8/13/2012

## COMMODITIES

NYMEX		
Crude	92.87	+0.01%
Futures		
%NY Gold	1,620.20	+0.34%
Spot (\$/t oz.)		
Silver Comex	28.06	+0.36%
(\$/t oz.)		
London	7,483.75	-0.61%
Copper Spot		

As of 08/10/2012



### **Aboitiz unit starts work on P1-B Davao plant**

Ø Aboitiz through Hector, Inc. a wholly owned subsidiary will start building a hydro power plant in Davao del Sur. The hydro plant will be in Sta. Cruz where it will be able to harness its energy from the Sibulan river for the purpose of aiding the short power supply of Mindanao. The plant will be able to generate about 40.5 GWh every year which will be able to power about 7,000 households. The projects is expected to be completed by Q1 of 2014.

### **SECB doubles net income for 1H**

Ø SECB reported that its 1H2012 Net Income reached P5.0B (+107% YOY), translating to ROE of 31%. The bank disclosed that its 1H2012 Net Interest Income grew to P4.0B (+14% YOY), while Net Interest Margin clocked in at 3.95%. On the other hand, 1H2012 Non-Interest Income grew strongly at P8.3B (+73% YOY). Non-Interest Income was driven by one-time Securities Trading Gains worth P3.3B arising from the disposal of Investments at Amortized Cost. SECB also continued to deliver stellar asset quality metrics as NPL Ratio was at 1.1% while NPL cover was at 219%, among the best in the industry.

### **JG Summit 1H profit jumps 25% on forex gains**

Ø JG Summit Holdings' net income was P7.47 billion in 1H12, 25% higher from a year ago, due to better gains on foreign exchange. In a disclosure to the stock exchange, JG Summit reported consolidated revenues increased 10% to P67.09 billion in the first half, from P61 billion a year ago, on stronger business performance. Consolidated operating expenses also increased by 14.2% to P10.91 billion in the first half, from P9.55 billion, due to higher general and administrative expenses in the airline operations and food business. JG Summit recorded a foreign exchange net gain of P1.3 billion in the first half, a turnaround from last year's net foreign exchange loss of P41.72 million, as the peso appreciated against the US dollar.

### **Lopez Holdings Corp 1H2012 net income up 570% YOY**

Ø Lopez Holdings Corp. posted a net income of P5.5B for 1H2012 (+570% YOY). This is attributed to equity in net earnings of associates of P4.9B compared to last year's loss of associates of P130M. This includes First Philippine Holdings Corp's (FPH's) sale of their 2.7% stake in Meralco. Associate ABS-CBN's consumer sales and advertising revenues grew 17% and 5% respectively.

### **ALI Senior Vice President Sells Shares**

Ø Mr. Jose Emmanuel Jalandoni, Senior Vice President, sold 100,000 shares of Ayala Land at the price of 23.10 last August 13, 2012. He still owns 3,830,638 shares through employee stock ownership plan.





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### RATINGS DEFINITION



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