



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.

THURSDAY, 23 August 2012

Index	Value	Change	% Chg
PSEi	5,152.15	-54.66	1.05 ▼
All Shares	3,431.70	-29.19	0.84 ▼
Financials	1,268.20	-24.27	1.88 ▼
Industrial	7,800.57	-76.58	0.97 ▼
Holding Firms	4,378.48	-17.36	0.39 ▼
Services	1,741.73	-11.46	0.65 ▼
Mining and Oil	21,371.64	-212.64	0.99 ▼
Property	1,967.08	-30.98	1.55 ▼

AUGUST

23

2012

WORLD INDICES

Dow Jones	13,172.76	-0.23%
FTSE 100	5,774.20	-1.42%
NIKKEI 225	9,131.74	-0.27%

TRADING SNAPSHOT

Index Movers

	Points
Bank of the Philippine Islands	-9.41
Ayala Land Inc.	-9.11
Banco De Oro	-7.11
Aboitiz Equity Ventures	-5.77
SM Investments Corp.	+5.02

Index Out-performers

	Up
SM Investments Corp.	1.09%
Megaworld Corp.	0.89%
Jollibee Foods Corp.	0.84%
Manila Water Company	0.75%
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Index Under-performers

	Down
Globe Telecom	4.89%
Banco De Oro	3.02%
Bank of the Philippine Islands	2.90%
Meralco	2.78%
Cebu Air, Inc.	2.66%

CALENDAR

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



PSEi Index

22 Aug 2012:	5,152.15 - 54.66
Value T/O, net	Php 3,123 million
52-week High	5,403.16
Low	3,715.01
Foreign Buying:	Php 2,727 million
Foreign Selling:	Php 3,601 million



HEADLINES

US stocks end flat on Fed minutes

Ø US stocks ended relatively flat yesterday (Aug 22) as the latest Federal Reserve meeting spur hopes of more stimulus for the economy. The Dow declined 0.23%; while the S&P and the Nasdaq ended green, gaining 0.02% and 0.21% respectively. Stocks spent most of the session in negative territory on weak exports data from Japan but pared losses after minutes of the Federal Reserve's meeting was released. In specific companies, Dell fell 5.4% after lowering its full year earnings outlook and warning of a challenging second half. Hewlett Packard Co. on the other hand fell 1.1% in extended trading after posting a third quarter loss. Shares of Sunrise Senior Living meanwhile surged almost 60% after Health Care REIT Inc. said it will acquire the company. Shares of the latter slid 2.7%.

Petron back on PSE index; Cebu Air out

Ø Petron Corp. will be back in the Philippine Stock Exchange Index (PSEi) and will replace Cebu Air, Inc. In a disclosure on August 22, the Philippine Stock Exchange said the new composition of the PSEi will take effect on September 10. The PSE had conducted a review of the composition of our 30-company index from July 2011 to June 2012.

Atlas to spend US\$105M to upgrade Toledo copper mill

Ø Atlas Consolidated Mining and Development Corp will spend \$105M to upgrade the mill facility in its Toledo complex, operated by subsidiary Carmen Copper Corp. This upgrade should enable the facility to produce 10 million pounds of copper concentrate per month instead of only 7.5 million. The upgraded mill is expected to be fully operational by first quarter 2013. Regarding the new mining policy, executive vice president Adrian Ramos said he understands the abolishment of income tax holidays but believes that tax incentives on imported capital equipment should be retained.

JFC Enters into Hotpot Joint Venture in China

Ø Jollibee has entered into an agreement with Hoppime, a subsidiary WowPrime Corporation in Taiwan to own and operate the 12 Sabu brand in the People's Republic of China, Hongkong and Macau. JFC's subsidiaries will own 48% of the JV company, while WowPrime will still own 48%. The remaining 4% will be owned by certain individuals with retail experience in China. JFC expects to spend USD\$8M between 2012 to 2015 for this deal. The 12 Sabu brand features low priced hot pot dishes served in a clean and bright dining environment. As of 2011, the company's sales revenues were NT\$200 M.

Ø *JFC stands to benefit from this deal in the long run as the 12 Sabu brand is complementary to Jollibee's expansion in its China operations. Also, the investment of USD\$ 8 M is reasonable in terms of P/S acquisitions made by Jollibee in the past. However, 12 Sabu's FY2011 revenues were only at NT\$200 M or approximately Php280 M in sales, it will not be significant considering Jollibee's 1H2012 systemwide retail sales is Php44,503 M. Also, on an operating income basis, the 12 Sabu brand is still operating at a loss. At NT198 per hotpot or approximately Php350, we surmise that the margins will be comparable with the fast food chain's prior Chinese acquisitions (San Pin Wang, Hong Zhuang Yuan and Yonghe King).*

Puregold management adjusts revenue target upward

Ø Puregold Price Club Inc's revised its 2012 sales growth target to 50% from 25% due to new store openings. In peso-terms, target sales are seen to hit P58.5B. 1H2012 revenues amounted to P23.3B (+34% YOY) with net income of P1.03B (+32% YOY). New stores opened in 2011 contributed to 68% of the increase in net sales.

Agrinurture's Big Chill to List in PSE

Ø Agrinurture confirms the intention to list its retail subsidiary, The Big Chill, Inc. (TBCI), in the Philippine Stock Exchange. In this regard, as indicated in the Company's disclosures dated 10 August 2012 and 11 July 2012 respectively, the Board of Directors authorized the Company to: 1. "subscribe to primary common shares of The Big Chill, Inc. equivalent to 10% of the latter's outstanding capital stock"; and 2. "undertake steps to declare property dividends consisting of ANI's shares of stock in The Big Chill, Inc. (TBC) in the maximum amount of 10% of the total outstanding capital stock of TBC, under such terms and conditions as may be determined by the Board of Directors".

Meralco eyes Ilocos Wind Farm

Ø Leading power distributor Manila Electric Co. plans to venture into the renewable energy-generation business beginning with an investment in a potential 300-megawatt wind farm in Laoag, Ilocos Norte. The entry into the renewable energy sector is part of Meralco's plan to install 2,500 MW in new generation capacity between now and 2020, using part of the leeway allowed by the energy deregulation law for it to generate relative to its distribution volume.

CURRENCIES

US, Dollar	42.3180
Japan, Yen	0.5339
UK, Pound	66.8032
Hong Kong, Dollar	5.4557
EU, Euro	52.7579
Bahrain, Dinar	112.2553
Saudi Arabia, Rial	11.2848
China, Yuan	6.6578

As of 8/22/2012

COMMODITIES

NYMEX		
Crude	96.98	+0.60%
Futures		
%NY Gold	1,636.10	-0.21%
Spot (\$/t oz.)		
Silver Comex	29.83	+2.09%
(\$/t oz.)		
London	7,604.50	+2.11%
Copper Spot		

As of 08/22/2012



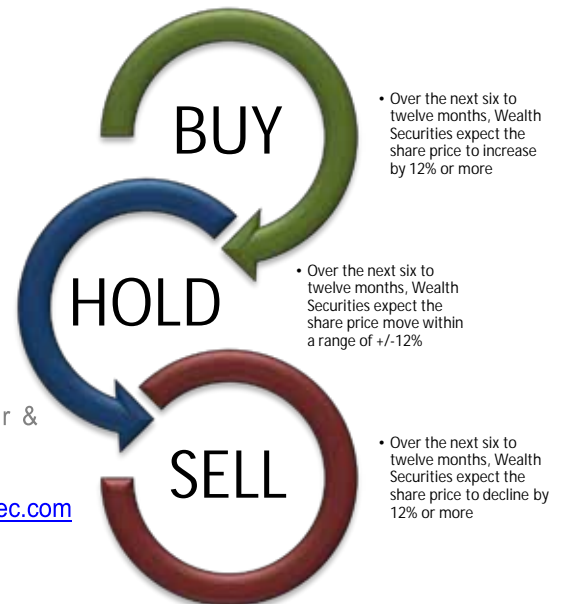
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