



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.

FRIDAY, 31 August 2012

Index	Value	Change	% Chg
PSEi	5,149.31	-46.41	0.89 ▼
All Shares	3,432.29	-21.82	0.63 ▼
Financials	1,287.21	-3.6	0.28 ▼
Industrial	7,833.64	-63.53	0.80 ▼
Holding Firms	4,309.10	-44.35	1.02 ▼
Services	1,737.58	-15.74	0.90 ▼
Mining and Oil	20,918.86	-267.45	1.26 ▼
Property	1,975.25	-21.4	1.07 ▼

AUGUST

31

2012

WORLD INDICES

Dow Jones	13,000.71	-0.81%
FTSE 100	5,719.45	-0.42%
NIKKEI 225	8,930.10	-0.60%

TRADING SNAPSHOT

Index Movers	Points
PLDT	-10.54
Aboitiz Equity Ventures	-4.25
Energy Development Corp.	-3.90
Metrobank	-3.66
Belle Corp.	-2.93
Index Out-performers	
	Up
Globe Telecom	2.23%
Universal Robina Corp.	0.41%
Banco De Oro	0.24%
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Index Under-performers	
	Down
Belle Corp.	4.67%
Energy Development Corp.	2.50%
Robinsons Land Corp.	2.11%
SM Development Corp.	2.10%
Cebu Air Inc.	1.80%

CALENDAR

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



PSEi Index

29 Aug 2012:	5,149.31 - 46.41
Value T/O, net	Php 2,746 million
52-week High	5,403.16
Low	3,715.01
Foreign Buying:	Php 1,712 million
Foreign Selling:	Php 2,618 million



HEADLINES

US stocks decline ahead of Bernanke speech

Ø US stocks declined yesterday (August 30) as investors await results of Federal Reserve Chairman Ben Bernanke's speech on Friday. All three major indices incurred sizable losses with the Dow declining 0.81%; the S&P, 0.78%; and the Nasdaq, 1.05%. Bernanke is due to speak to central bankers at 1400 GMT on Friday. Investors are hoping that another round of bond purchases will be announced during the meeting. Volume continued to be light as the market enters a seasonally low period. In companies, Sears shares fell 7.9% after S&P Dow Jones removed the company from the S&P500 index. Pandora media meanwhile surged 14.3% after adjusting second quarter earnings that beat expectations and raising its full year outlook.

Ayala Corp to enlarge power generation business; Investment of US\$2.5B needed

Ø The company's venture into power generation aims to reach a capacity of 1,000 megawatts (MW) in five years. Subsidiary, AC Energy Holdings Inc, will require \$2.5B, \$500M of which will come from Ayala Corp (AC). Currently, the company has partnered with Japan's Mitsubishi Corp for the P7B Daron solar power project in Sta Cruz, Davao del Sur. It has also partnered with Sta Clara Power Corp for the development of hydroelectric power projects. Last year, AC acquired a 50 percent stake in NorthWind Power Development Corp that owns and operates the 33-MW wind farm in Bangui Bay, Ilocos Norte for P500M. Wind, hydroelectricity, solar power and other renewable energy fueled plants will comprise 20% of the targeted capacity.

Philippine economy grows 6.1% in first half

Ø Philippine GDP for 1H2012 registered a 6.1% growth - the average of the first and second quarter rates of 6.3% and 5.9%. This economic expansion is mainly due to increased government spending. Public investment in construction grew 45.7% in the second quarter. Socioeconomic Planning Secretary Arsenio Balisacan (also a director of the National Economic and Development Authority) said that public spending will continue to accelerate. Moreover, investments (capital formation) are seen to have bottomed out and to start aiding growth. The government's outlook of 5% to 6% for full year GDP growth remains unchanged.

PPP news: Swiss challenge for Metro Pacific's road project to take place in October

Ø Metro Pacific Investment Corp and San Miguel Corp both proposed NLEX-SLEX connector roads (i.e. their projects are unsolicited PPP projects with DPWH as the implementing agency). These two projects can co-exist according to PPP Executive Director Cosette Canilao. Metro Pacific's project will be subject to a Swiss Challenge in October. The proposal is to construct a 13-km connector road at a cost of P22B starting next year. The project is seen to create 7,000 to 8,000 employment opportunities.

Ø **Note:** *The Philippine government prefers solicited proposals (proposals made by various departments in the government)*

Ø **What is a Swiss Challenge?** *This form of bidding occurs when the government receives a proposal from a proponent (e.g. Metro Pacific) for a service or infrastructure which the government is expected to provide. The government thus publishes the bid and invites third parties to outbid the proponent's project cost.*

PAL plans to build own airport; Features of airport as well as funding matters discussed

Ø The proposal for an international airport will be submitted to Malacanang early next year. COO Ramon Ang said the modern airport would have 4 runways and would handle 1,500 events (landings and take-offs) per day. Access to this airport would be provided by a 6-lane, elevated highway. Other features would include at the very least hotels and malls. A number of avenues to raise capital were mentioned: 1) Additional equity infusion of US\$500M from existing shareholders would be enough to meet the financial requirements of the airport, 2) Soft loan from Export-Import Bank of Korea (since the company is eyeing a Korean contractor), or 3) Tapping the bond market.

MGI Completes Third Production Well Ahead of Schedule, Starts Drilling New Reinjection Well

Ø Maibarara Geothermal Inc (MGI) recently completed the drilling of the 3rd production well that will supply up to 20 MW of steam for its powerplant, set to start operations by 2H2013. MGI is set to start drilling a new well that will be used to reinject condensate fluids that will be discharged by the plant. Trans-Asia owns 25% of MGI. 65% is owned by Petrogreen Energy Corporation, while the other 10% belongs to PNOC-Renewables Corporation.

CURRENCIES

US, Dollar	42.3090
Japan, Yen	0.5390
UK, Pound	66.9540
Hong Kong, Dollar	5.4549
EU, Euro	53.1697
Bahrain, Dinar	112.2314
Saudi Arabia, Rial	11.2827
China, Yuan	6.6597

As of 8/29/2012

COMMODITIES

NYMEX		
Crude	96.33	+0.90%
Futures		
%NY Gold		
Spot (\$/t oz.)	1,666.20	-0.36%
Silver Comex		
(\$/t oz.)	30.89	+0.32%
London		
Copper Spot	7,594.50	-0.44%

As of 08/28/2012

TDY 1H2012 Profit at Php3.6 Bil

Ø Tanduary Holdings, or the soon to be renamed Lucio Tan Group of companies disclosed that the company earned P3.6B on the back of P52.9 B sales revenues for 1H2012. Excluding minority interests, net income to equity holders stand at P3.2B. The company's total assets stand at P236.5B with P172.6B of liabilities. Net income to equity holders stands at P3.2B.

Shang Properties Issues Cash Dividend

Ø The company issues 4 cents cash dividend for all its shareholders on record as of Sept 17, 2012 and will be repaid on or before September 30, 2012.

Chinabank Announces a 10 for 1 Stock Split and Change in Par Value

Ø Chinabank's board approved a 10 for 1 stock split of its common shares. The stock split will result to an increase of shares from 200Mil to 2B shares, and a reduction in par value from P100/share to P10/share, without affecting the authorized capital stock of the company which stands at P20B. This will be effective as of September 6, 2012.

Jollibee Plans to Open 100 New Stores in China

Ø According to JFC's CFO Mr. Ysmael Baysa , the company is planning to ramp up its presence in China by adding 100 new stores , as business in China now accounts 11% of system wide sales with a growth of 30% y/y. The company now operates 368 stores in China as of 1H2012, under three flagship brands (Yonghe King, San Pin Wang, Hongzhuang Yuan.) The company also plans to open 125 new stores in the Philippines for its domestic store network. A capex of P5.8 Bil is expected to support the expansion program. JFC ended the 1H2012 with a total of 2,022 stores in the Philippines, consisting of flagship brand Jollibee (756), Chowking (385), Greenwich (201), Red Ribbon (207), Mang Inasal (448) and Burger King (25). The group has a total of 2,546 stores overseas.

SM Eyes small family-owned grocery stores

Ø SM Group is looking to acquire small family-owned groceries/supermarkets based in the Visayas and Mindanao as it aims to further widen its geographic footprint and maintain its dominance in the retail industry. SM's food retail business of 140 outlets as of 1H12 includes 34 SM Supermarkets, 73 SaveMore stores and 33 SM Hypermarkets. Aggregate earnings of the retail group, consisting of a chain of department stores and a separate chain of supermarkets and hypermarkets, amounted to P2.7Bil in the1H12, up 7.8% YOY. Total sales climbed 8.3% to P73.8 Bil. The retail group, which currently corners about 30 to 35% of the local retail market, posted net earnings of P5.8 Bil last 2011. SM plans to open a total of 37 new outlets this year (five department stores, six supermarkets, 21 SaveMore branches and five hypermarkets), higher than the 34 stores it opened in 2011.



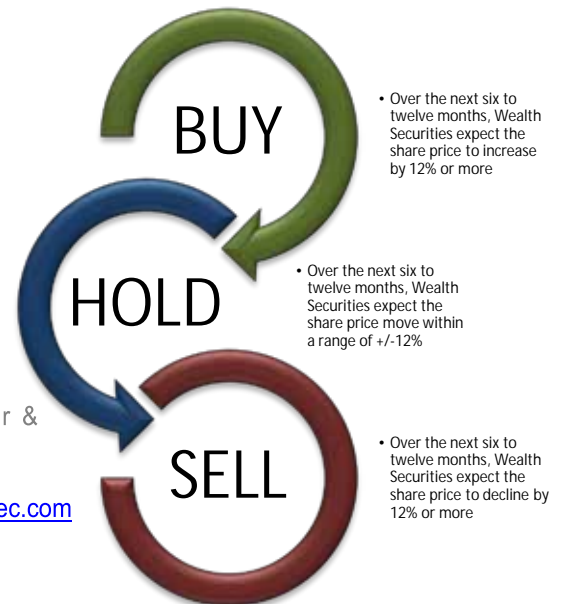
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