



## 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, 06 September 2012

Index	Value	Change	% Chg
PSEi	5,150.81	-25.06	0.48 ▼
All Shares	3,424.36	-14.67	0.43 ▼
Financials	1,282.11	-0.43	0.03 ▼
Industrial	7,831.24	-32.32	0.41 ▼
Holding Firms	4,323.53	-27.13	0.62 ▼
Services	1,747.39	-4.8	0.27 ▼
Mining and Oil	21,078.88	-41.14	0.19 ▼
Property	1,976.27	-15.02	0.75 ▼

WORLD INDICES

<b>Dow Jones</b>	13,047.48	+0.09%
<b>FTSE 100</b>	5,657.86	-0.25%
<b>NIKKEI 225</b>	8,676.49	-0.04%

TRADING SNAPSHOT

Index Movers	Points
JG Summit Holdings	-5.05
Jollibee Foods Corp.	-3.73
Aboitiz Equity Ventures	-3.04
Globe Telecom	-2.67
SM Prime Holdings	-2.26

Index Out-performers	Up
Meralco	0.89%
Cebu Air, Inc.	0.85%
Bank of the Philippine Islands	0.69%
Belle Corp.	0.63%
Ayala Corp.	0.38%

Index Under-performers	Down
Jollibee Foods Corp.	3.59%
JG Summit Holdings	3.18%
Globe Telecom	3.07%
Megaworld	2.25%
Robinsons Land Corp.	2.14%



PSEi Index

05 Sep 2012:	5,150.81 - 25.06
Value T/O, net	Php 2,105 million
52-week High	5,403.16
Low	3,715.01
Foreign Buying:	Php 1,508 million
Foreign Selling:	Php 1,717 million



HEADLINES

**US stocks end mixed as investors await ECB plans**

Ø US stocks ended mixed yesterday (Sep 05) as investors await the results of a crucial meeting of the European Central Bank. The Dow ended green, gaining 0.09%; while the S&P and the Nasdaq declined 0.11% and 0.19% respectively. Volume continued to be thin with only about 5.49B shares traded in the NYSE, American Stock Exchange and Nasdaq. Investors are hoping that the ECB will unveil a bond buying plan to bring down borrowing costs of ailing economies in the region. In company news, FedEx Corp fell 2% after cutting its quarterly profit outlook late Tuesday. The company is seen by many as an economic bellwether because of its rise as the second largest world shipping company. UPS also fell 2.4% as a result. Facebook meanwhile rose 5% after promising not to sell stocks to cover a US\$2B tax bill.

**August inflation quickens, rates seen steady**

Ø The rate of inflation of our country has exceeded expectations due to higher commodity costs, dimming the chances of a rate cut at next week's policy meeting. Although a rate reduction was still likely before year end. According to the statistics office, the consumer price index in August rose 3.8% YoY. This is above the 3.5% forecast and the highest since January's 4%. Central bank Governor Amando Tetangco said the current policy stance remained proper, with this year's average inflation target of 3-5% still within reach. From January to August, the average inflation rate average was 3.2%. In a text message to reporters, Tetangco said that "the inflation path is largely expected to continue being well-behaved, the stance of policy therefore remains appropriate."

### HSBC and Barclays: slower growth in 2H2012

Ø Economists predict that the Philippines will experience slower growth in 2H2012 compared to 1H2012. HSBC and Barclays both think that the country's GDP growth will be challenged, considering the ongoing sovereign debt problems in Europe and the relatively slow economic activity of US. Barclays said that the recent slew of floods, which temporarily caused disruption in agricultural production, would impact 2H2012 GDP growth. HSBC, on the other hand, said that the Philippines would be relatively insulated to global macroeconomic problems due to robust fiscal spending, strong OFW remittances and the commencement of the PPP program.

### EDC Issues Cash Dividends and Doesn't Pursue Chocopata Project

Ø EDC's board will pay 4 cents cash dividend, with ex date on September 17 and payment date on or before Oct 16, 2012. Additionally, the company will not pursue the jointventure agreement between EDC and Hot Rock Limited (HRL) of Australia, and the Chocopata Shareholders Agreement.

## CURRENCIES

US, Dollar	42.0270
Japan, Yen	0.5370
UK, Pound	66.7935
Hong Kong, Dollar	5.4186
EU, Euro	52.9372
Bahrain, Dinar	111.4834
Saudi Arabia, Rial	11.2072
China, Yuan	6.6281

As of 9/04/2012

## COMMODITIES

NYMEX		
Crude	96.47	+1.96%
Futures		
%NY Gold	1,685.90	+1.82%
Spot (\$/t oz.)		
Silver Comex	32.05	+1.82%
(\$/t oz.)		
London		
Copper Spot	7,674.75	+0.90%

As of 09/03/2012



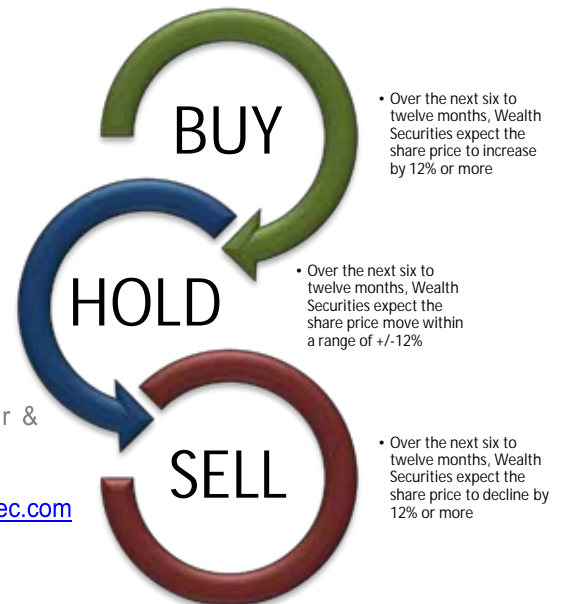
## Please Read!

*The information and opinions in this report were prepared by Wealth Securities, Inc. The information herein is believed to be reliable and has been obtained from public sources believed to be reliable. Wealth Securities makes no representation as to the accuracy or completeness of such information.*

*Wealth Securities may engage in securities transactions, on a proprietary basis or otherwise, in a manner inconsistent with the view taken in this research report. In addition, others within Wealth Securities, including traders and sales staff, may take a view that is inconsistent with that taken in this research report.*

*Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Wealth Securities and are subject to change without notice. Wealth Securities has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. Prices and availability of financial instruments are subject to change without notice. This report is provided for informational purposes only. It is not an offer or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. Target prices are inherently imprecise and a product of the analyst judgment.*

### RATINGS DEFINITION



Jerome Gonzalez  
Research Head  
T: 634.5038 local 8127  
[jerome@wealthsec.com](mailto:jerome@wealthsec.com)

Bernard Aviñante  
Conglomerates, Power & Gaming  
T: 634.5038 local 8121  
[bernardavinante@wealthsec.com](mailto:bernardavinante@wealthsec.com)

Miguel Agarao  
Mining & Property  
T: 634.5038 local 8164  
[miguel.agarao@wealthsec.com](mailto:miguel.agarao@wealthsec.com)

Nikki Yu  
Consumer  
T: 634.5038 local 8150  
[nikki.yu@wealthsec.com](mailto:nikki.yu@wealthsec.com)

ND Fernandez  
Banking, Telcos & Transport  
T: 634.5038 local 8152  
[ndfernandez@wealthsec.com](mailto:ndfernandez@wealthsec.com)

Enrico Chua  
Malls  
T: 634.5038 local 8075  
[enrico.chua@philequity.net](mailto:enrico.chua@philequity.net)



Wealth Securities, Inc.  
2103 East Tower, PSE Center,  
Exchange Road, Ortigas Center,  
Pasig City 1600  
Telephone: 02.634.5038  
Facsimile: 02 634 5043

[www.wealthsec.com](http://www.wealthsec.com)