



## 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, 05 October 2012

Index	Value	Change	% Chg
PSEi	5,443.74	68.22	1.27 ▲
All Shares	3,586.11	29.18	0.82 ▲
Financials	1,384.47	0.3	0.02 ▲
Industrial	8,312.17	81.56	0.99 ▲
Holding Firms	4,670.08	108.4	2.36 ▲
Services	1,791.91	8.43	0.47 ▲
Mining and Oil	19,745.97	10.34	0.05 ▲
Property	2,086.49	13.43	0.64 ▲

## WORLD INDICES

<b>Dow Jones</b>	13,575.36	+0.60%
<b>FTSE 100</b>	5,827.78	+0.03%
<b>NIKKEI 225</b>	8,871.97	+0.54%

## TRADING SNAPSHOT

Index Movers	Points
SM Investments Corp.	+29.33
Ayala Corp..	+8.43
Ayala Land Inc.	+6.48
Universal Robina Corp.	+4.36
ICTSI	+3.66

Index Out-performers	Up
SM Investments Corp.	5.99%
Ayala Corp.	3.63%
Universal Robina Corp.	3.03%
Meralco	2.85%
ICTSI	2.14%

Index Under-performers	Down
Alliance Global Inc.	1.07%
Manila Water Company	0.70%
Robinsons Land Corp.	0.62%
Banco De Oro	0.30%
Metro Pacific Investments Corp.	0.23%



## PSEi Index

04 Oct 2012:	5,443.74 + 68.22
Value T/O, net	Php 5,169 million
52-week High	5,451.96
Low	3,715.01
Foreign Buying:	Php 4,682 million
Foreign Selling:	Php 4,230 million



## HEADLINES

**US stocks rise on bets of a better than expected jobs report**

∅ US stocks rose yesterday (Oct 04) as bets of a better than expected jobs report, which is set to be released Friday, pushed shocks higher. All three major indices rose with the Dow rising 0.60%; the S&P, 0.72%; and the Nasdaq, 0.45%. The S&P closed higher for the fourth straight day, bringing the index closer to a new five year high. New claims for unemployment benefits rose only slightly last week after a drop from a week before, leading to hopes that tonight's non-farm payrolls report would show improvement. The rally was broad, with all 10 S&P 500 sectors up and financials in the lead. The S&P's financial index gained 1.5 percent. In tech, Google shares hit a new 52-week high within the session before closing at US\$768.05.

**BDO to redeem P10B notes**

∅ BDO Unibank, Inc. will redeem its P10B unsecured subordinated notes on Nov 21, 2012. This will allow the bank to reduce its cost of funding as well as improve its capital structure in favor of higher quality Tier 1 capital.

**Ayala Corp. to raise P10B in fixed rate bonds**

∅ Ayala Corp. will raise P10B worth of seven year fixed rate bonds. The proceeds will be used in the company's venture into infrastructure and power generation. The company targets a production capacity of 1,000 megawatts in 5 years. Capital expenditures for this venture will amount to US\$1B.

**Meralco to build LNG-fired power plant; Ties up with Shell**

∅ Subsidiary Manila PowerGen Co has signed a memorandum of understanding (MOU) with Shell Companies in the Philippines (SCiP) for the possible supply of liquefied natural gas (LNG). Meralco has yet to conduct feasibility studies for an LNG-fired power plant in Batangas. The company plans to reach a generation capacity of 2,500MW by 2020.

### First Gen gets US\$420M loan

Ø First Gen Corp has secured a \$420M, 10-year loan facility from several banks in order to pay existing debt worth \$77.4M and to fund expansion projects including the 200-500 megawatt San Gabriel gas-fired project. The loan will be availed from the following banks: Bank of the Philippine Islands, BDO Unibank, Inc., Philippine National Bank, Rizal Commercial Banking Corp, Security Bank Corp, The Hong Kong and Shanghai Banking Corp, and Union Bank of the Philippines.

### Security Bank expects loan growth to exceed industry average

Ø Security Bank estimates its loan portfolio to grow faster than the industry average of 15 to 18 percent this year. In the first half, loan growth was 29% YOY. Avalanches of fund raising, brought about by a relatively healthy economy, are benefiting the banking sector as a whole.

### Pancake House Director Purchases Shares

Ø PCKH Director Martin Lorenzo and Pancake House Holdings bought P3,038,500 respectively of PCKH shares last Sept 27, 2012 between P7.60 to P8.00.

### EEI Director Sells Shares

Ø Juan Kevin Belmonte disposed 100,000 shares at P8.60 last Oct 2, 2012.

### Clarification on news that Cebu Air casts an eye on Zest

Ø Cebu Air has been approached to indicate its interest in acquiring the low cost regional carrier Zest Air. Other parties with negotiations are Philippine Airlines, Hainan Air and another regional carrier. Any interest at this point is at best indicative and non-binding.

### SEVN 10% Owner Disposes Shares

Ø According to a SEC 23 B filing, President Chain Store Holdings sold 4,300,000 shares at the price of 70 last Sept 21, 2012. As of Sept 30, 2012, the holding company still has 191,850,452 shares remaining.

### GMA-PLDT talks fail

Ø The second attempt for PLDT to acquire a controlling stake in GMA has failed. Share price of GMA fell 8.21% yesterday while PLDT's price gained 0.44%. Mr. Gozon, GMA Chairman, claimed that the failed negotiations were not due to an agreed upon price but due to other issues. The other issues were undisclosed. Moving forward, both GMA and PLDT say that the failed negotiations will not affect each group's business plans.

### ABS-CBN sets December preferred share offer

Ø ABS-CBN Corp plans to complete a preferred share offering to existing stockholders by December this year. ABS-CBN said in a disclosure on Thursday that it expects the Securities and Exchange Commission to approve by November 29 the revisions to its articles of incorporation to reclassify 200 million common shares, with a par value P1 per share, into 1 billion preferred shares, with a par value of P0.20 per share. The offer period will run from December 3 to 14, with the issuance of the shares expected on December 20. The preferred shares will be voting, non-convertible, non-participating, cumulative and redeemable. Once issued, the preferred shares will represent 56.7 percent of the company's total outstanding shares.

## CURRENCIES

US, Dollar	41.6410
Japan, Yen	0.5328
UK, Pound	67.1919
Hong Kong, Dollar	5.3701
EU, Euro	53.7960
Bahrain, Dinar	110.4682
Saudi Arabia, Rial	11.1043
China, Yuan	6.6071

As of 10/03/2012

## COMMODITIES

NYMEX		
Crude	88.14	-4.08%
Futures		
%NY Gold		
Spot (\$/t oz.)	1,777.00	+0.19%
Silver Comex		
(\$/t oz.)	34.64	+0.35%
London		
Copper Spot	8,285.50	-0.48%

As of 10/03/2012





## 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