



## 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.

Tuesday, 23 October 2012

Index	Value	Change	% Change
PSEi	5,424.79	-7.57	0.14 ▼
All Shares	3,589.90	-5.25	0.15 ▼
Financials	1,377.57	-3.56	0.26 ▼
Industrial	8,409.35	-9.71	0.11 ▼
Holding Firms	4,657.16	-13.77	0.29 ▼
Services	1,757.55	-3.37	0.19 ▼
Mining and Oil	20,144.27	-168.92	0.83 ▼
Property	2,092.96	5.14	0.25 ▲

WORLD INDICES

DJIA	13,345.90	+0.02%
FTSE 100	5,882.91	-0.22%
Nikkei	9,010.71	+0.09%

TRADING SNAPSHOT

Index Movers	Points
ALI	+4.05
JFC	-3.31
URC	+3.27
FGEN	+2.62
SM	-2.58

Index Out-performers	Up
FGEN	4.57%
URC	2.08%
ALI	1.08%
BDO	0.79%
BEL	0.39%

Index Under-performers	Down
JFC	2.95%
PCOR	1.27%
SMDC	1.12%
DMC	1.06%
MER	1.05%



PSEi Index

Oct 23, 2012:	5,424.79	-7.57
Value T/O, net	Php3,423 million	
52-week High	5,484.63	
Low	4,158.33	

Foreign Buying:	Php5,047 million	
Foreign Selling:	Php2,663 million	



HEADLINES

**Yahoo climbs 4% after trading hours**

➤ Yahoo! Inc. reported a large jump in third quarter profit (\$3.16B versus \$298.3M a year ago). This was largely due to the net gain of \$2.8B from the sale of the company's stake in Alibaba Group. But even without the one-time gains, the company beat expectations. Moreover, CEO Marissa Mayer revealed the possibility of a share buyback program. After losing 0.44% within the day, Yahoo rose 4% after trading hours. Still, investors are skeptical about the capabilities of Yahoo to compete in the Internet media industry. A turnaround would depend largely on Mayer and her newly assembled team.

**Puregold completes P5B corporate notes issuance for expansion, acquisitions**

➤ Lucio Co-led grocery chain operator Puregold Price Club Inc. has completed the P5B corporate notes issuance, with Series A notes carrying an interest rate of 5.4481% p.a. and Series B notes at 5.8673% pa. Series A's tenor is 5 years and 1 day, while Series B is 7 years. P3B was budgeted for the 25 new stores targeted to be opened in 2013, while P2B will be for mergers and acquisitions. First Metro Investment Corporation was the sole arranger and bookrunner for the issue, which received over P11B in bids.

**MJC Investments Trading Halt and Completion of Foreign Ownership Subscription of Shares**

➤ MJC Investments Corp approved the subscription by sixteen investment holding companies to 2.15B shares at P1 per share in the expanded capital of the corporation. It is expected that upon completion of the subscription, the foreign ownership of the corporation will be 40%. The aforementioned P2.15B investment will be used for the construction of hotel, tourism and entertainment hub to be located at San Lazaro Business and Tourism Park in Santa Cruz Manila. The Exchange will implement a trading halt on MJIC shares on Oct 23, 2012, which will commence at 9am, and be lifted at 10am.

## SM's Sea Residences 95% Sold

- SM Development Corp (SMDC) has already sold about 95% of its Sea Residences project, located within the Mall of Asia Complex. Sea Residences comprises six 15-storey residential buildings, housing a total of 2,752 new units. The strong sales of Sea Residences have been reflected in the increase in property values. From an average pre-selling price at launch of P85,000 per sqm, the current value now stands at P117,000 per sqm.

## Metro Pacific Tollways Corporation's Voluntary Delisting

- Metro Pacific Tollways Corporation submitted the petition for Voluntary Delisting of MPTC's common shares from the Philippine Stock Exchange. In this regard, MPTC has announced its intention to make a tender offer for the 7.5M MPTC Shares held by other stockholders of MPTC. The Tender Offer shall start on Oct 29, 2012 and end on November 28, 2012.

## SM Investments Corporation Completes 9.1M Share Sale

- Pursuant to the top up placement, the Selling Shareholders (namely Teresita Sy, Elizabeth Sy, Hans Sy, Herbert Sy and Harley Sy) sold 9.1M shares of existing SMIC shares to institutional investors at P700/share, and SMIC concurrently issued 9.1M new primary common shares to the selling shareholders at the same price. Total proceeds amounted to P6.37B. The amount was used to pay off an existing bank loan, including related interests. The total issued and outstanding common shares before and after the top up placement is 614M and 623M shares respectively.

## Listed firms' earnings up 26.4% to P271 B in 1H12

- According to research by the Philippine Stock Exchange, aggregate net earnings of corporations listed in the local bourse grew 26.4% in 1H2012 to P271.02 B. The combined revenues of the 254 corporations saw a 21% jump YOY to P2.24 T for 1H2012.
- Five out of the six sectors recorded positive net income growths led by the industrial sector jumping by 62.9%. All the sectors registered higher revenues, with the industrial sector again leading the pack with a 24.4% rise.
- Securities trading gains on the other hand, were the main proponent for the 36.6% increase in the earnings of the firms in the financial sector.
- Holding firms' consolidated profits increased by 25.9% due to higher income contributions of subsidiaries and associates.
- Property sector reported a 9.5% growth as a result of increased real estate sales and improved rent revenues from newly opened malls.
- Net earnings from services sector inched up by only 0.3% as increased expenses offset non-recurring gains.
- Mining and oil sector's aggregate income, however fell 28.3% due to lower production volumes and absences of one-time gains.

## CURRENCIES

US, Dollar	41.3800
Japan, Yen	0.5176
UK, Pound	66.2716
Hong Kong, Dollar	5.3389
EU, Euro	54.0562
Saudi Arabia, Rial	11.0341
China, Yuan	6.6159
Singapore, Dollar	33.8903

## COMMODITIES

WTI CRUDE FUTURE (USD/bbl.)	89.15	+0.56%
GOLD 100 OZ FUTR (USD/t oz.)	1,729.40	+0.18%
SILVER FUTURE (USD/t oz.)	32.43	+0.54%
CORN FUTURE (USd/bu.)	760.25	-0.13%
SUGAR #11 (WORLD) (USd/lb.)	20.06	-0.84%
SOYBEAN FUTURE (USd/bu.)	1,550.75	+0.10%



## 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.*

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

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

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

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

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

## RATINGS DEFINITION



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)