



## 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, 06 November 2012

Index	Value	Change	% Change
PSEi	5,457.82	33.31	0.61▲
All Shares	3,584.17	3.58	0.10▲
Financials	1,404.47	29.74	2.16▲
Industrial	8,635.87	99.27	1.16▲
Holding Firms	4,648.13	22.91	0.50▲
Services	1,743.84	-10.44	0.60▼
Mining and Oil	19,857.39	-55.49	0.28▼
Property	2,111.99	4.62	0.22▲

## WORLD INDICES

DJIA	13,112.40	+0.15%
FTSE 100	5,839.06	-0.50%
Nikkei	9,007.44	-0.48%

## TRADING SNAPSHOT

Index Movers	Points
BPI	+14.51
TEL	-8.28
MBT	+7.93
URC	+6.63
AEV	+5.89

Index Out-performers	Up
URC	4.24%
BPI	4.20%
MBT	3.16%
FGEN	2.24%
AEV	1.97%

Index Under-performers	Down
BEL	1.67%
ICT	1.41%
RLC	1.26%
TEL	1.13%
JGS	0.91%



## PSEi Index

Nov 06, 2012:	5,457.82	+33.31
Value T/O, net	Php5,619 million	
52-week High	5,484.63	
Low	4,207.44	

Foreign Buying:	Php5,569 million
Foreign Selling:	Php4,858 million



## HEADLINES

**US stocks rise as investors wait for election results**

- The S&P 500 added 0.2% to end at 1,417.26 while the Dow rose 0.15% to 13,112.40. Volume traded was 5.1B shares, 13% below the three-month average. Apple gained 1.4% to close at 584.62 after reporting their sale of 3 million iPad minis. There is still uncertainty over the election results. However, some experts claim that the market rally indicated anticipation for the re-election of the incumbent president.

**MBT's 9M2012 Net Income reaches P10.2B**

- MBT's 9M2012 Net Income reached P10.2B, up 15.2% YOY. This translates to ROE of 12.2%. 3Q2012 Non-Interest Income, however, was slightly lower at P4.2B due to moderate Trading Gains. The effect of MBT's asset clean-up continues to be felt, the bank's NPL Ratio improved to 2.2% for 3Q2012 vs. 2.5% last year. Moreover, MBT remains well-capitalized with a Tier 1 ratio of 14.3%.
- Comment: With these results, MBT is on-track to exceed our FY2012E Headline Net Income of P12.5B. Moreover, as said in our previous MBT report (*Tempered Optimism*, October 24, 2012), MBT is expected to realize one-time gains of ~P7B with its sale of its stake in Toyota Motors Philippines. This further strengthens MBT's capital position and dispels rumors that MBT needs to raise additional capital to comply with Basel III requirements.

**Purefoods to raise \$400M from overseas equity offering**

- San Miguel Pure Foods Co may raise as much as \$400M from an overseas equity offering to meet a stock exchange ruling that requires listed firms to have a minimum public ownership of 10%. The company's public float currently stands at 0.08%. Orders from institutional and retail investors may begin on November 12. In addition, a secondary share offering is currently being contemplated. UBS, Standard Chartered and Malayan Banking served as financial advisors.

## BDO 9M2012 profits up 38% YOY

- BDO's 9M2012 Net Income surged to P10.5B, up 38% YOY. This is due to the 9.7% increase in 3Q2012 Net Interest Income, as well as strong Trading Gains of P3.8B for the quarter. The bank's Trading Gains drove the 23% YOY increase of its Non-Interest Income to P18.9B. The bank also raised its Tier 1 Capital Ratio to 15.2% following its \$1B stock rights offer.
- Comment: BDO's results offer a ray of light, as the recovery of its Net Interest Income may be a signal that its margins have finally bottomed-out in 3Q2012. With a margin recovery, we expect BDO to continue to benefit from its strong loan growth, which was at 17% for 3Q2012. This quarter also comes off as the bank's best quarter in Trading Gains, delivering less than P2.0B in Trading gains in the past 6 quarters. Because of these, BDO's 9M2012 Net Income has already exceeded our FY2012E Net Income of P10.4B.

## Ayala Corporation finalizes P12.5B deal

- AC Energy, a subsidiary of Ayala Corp, has finalized its partnership with A. Brown Co Inc for a P12.5B coal plant in the Visayas. AC signed a shareholders agreement which implements respective agreements and undertakings among Palm Concepcion Power Corp (PCPC). PCPC is building a 135MW circulating fluidized bed thermal coal-fired power plant in Iloilo province, expected to be operational by 2016.

## Greenergy hikes capital

- Greenergy Holdings increased its authorized capital stock from P2B to P5B. The company has also entered into an investment agreement with Cleantech, where the Swiss firm invested P415M in exchange of primary shares in the form of stock warrants allowing Cleantech to buy 10.49B shares at a strike price of two centavos per share within one year from issuance. Proceeds will be used to invest in the biomass power plant of San Carlos BioPower Inc. in Negros.

## JGS Eyes Loans for Expansion

- JG Summit Holdings hired ING and Standard Chartered to help arrange a \$250M loan, to expand its food manufacturing, property and airline businesses within Southeast Asia. Senior Vice President Johann Sebastian Bach also said that the company plans to acquire other snack and beverage companies in Southeast Asia.

## EDC President purchases shares

- President and Chief Operating Officer Richard Tantoco acquired 452,100 shares of EDC between P6.54 to P6.70 last Oct 31, 2012. He owns 6.1 M shares directly and 1.1M shares indirectly through his wife.

## CURRENCIES

US, Dollar	41.2100
Japan, Yen	0.5135
UK, Pound	65.8517
Hong Kong, Dollar	5.3172
EU, Euro	52.7387
Saudi Arabia, Rial	10.9885
China, Yuan	6.6034
Singapore, Dollar	33.6463

## COMMODITIES

WTI CRUDE FUTURE (USD/bbl.)	85.65	+0.93%
GOLD 100 OZ FUTR (USD/t oz.)	1,683.20	+0.48%
SILVER FUTURE (USD/t oz.)	31.13	+0.88%
CORN FUTURE (USd/bu.)	735.50	-0.54%
SUGAR #11 (USd/lb.)	19.25	-0.41%
SOYBEAN FUTURE (USd/bu.)	1,502.25	-0.07%



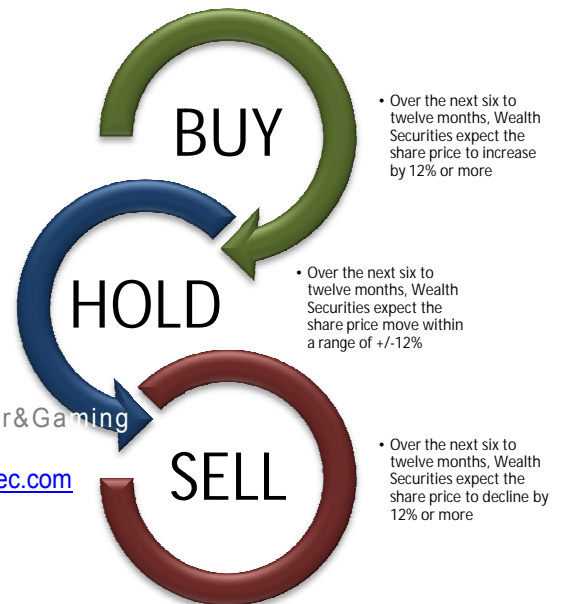
## Please Read!

*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)

Sarah Uy  
Construction  
T: 634.5038 local 8160  
[sarah.uy@wealthsec.com](mailto:sarah.uy@wealthsec.com)



Wealth Securities, Inc.  
2103 EastTower, PSECenter,  
Exchange Road, OrtigasCenter,  
PasigCity 1600  
Telephone: 02.634.5038  
Facsimile: 02 634 5043