



WEALTH SECURITIES

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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, 15 November 2012

Index	Value	Change	% Change
PSEi	5,451.09	-4.83	0.09▼
All Shares	3,593.81	2.27	0.06▲
Financials	1,416.20	-1.96	0.14▼
Industrial	8,667.78	42.45	0.49▲
Holding Firms	4,704.49	1.85	0.04▲
Services	1,710.42	-12.30	0.71▼
Mining and Oil	19,161.52	14.79	0.08▲
Property	2,085.56	-1.80	0.09▼

WORLD INDICES

DJIA	12,571.00	-1.45%
FTSE 100	5,722.01	-1.11%
Nikkei	8,664.73	+0.04%

TRADING SNAPSHOT

Index Movers	Points
TEL	-11.04
AP	+3.72
SM	-2.61
BDO	-2.44
URC	+1.96

Index Out-performers	Up
AP	2.66%
DMC	1.67%
URC	1.17%
FGEN	1.10%
AGI	0.80%

Index Under-performers	Down
TEL	1.54%
BDO	0.96%
MEG	0.79%
SM	0.49%
MER	0.31%



PSEi Index

Nov 15, 2012:	5,451.09	-4.83
Value T/O, net	Php3,974million	
52-week High	5,488.92	
Low	4,211.04	

Foreign Buying:	Php3,418million
Foreign Selling:	Php3,357 million



HEADLINES

US stocks back to June levels; Unrest in Israel causes oil to rise

➤ The DJIA sank to 12,571.00 (-1.45%), its lowest level since June. Out of the 30 members of the index, only Cisco Systems Inc. ended in positive territory due to earnings that beat estimates. Oil spiked 1.1% to \$86.32 a barrel after an Israeli airstrike killed a Hamas leader in Gaza. Concerns on the fiscal cliff and now oil supply have caused the S&P 500 (1,355.49, -1.4%) to fall below its 200-day moving average and to pare its YTD gain to less than 8%.

Security Bank's 9M2012 net income reached P6.2B

➤ SECB's 9M2012 net income reached P6.2B, +54.9% YOY. This translates to ROE of 23.9% and ROA of 3.5%. SECB's earnings growth was driven by an 8.6% YOY increase in Net Interest Income and 136.6% YOY increase in Non-Interest Income. On the balance sheet side, SECB delivered impressive growth in assets, loans and deposits as these increased by 28.3%, 28.4% and 36.6% YOY, respectively. The bank also reported that its Tier 1 Ratio was at 16.2% and its NPL Ratio was at 1.1% for 3Q2012.

➤ Comment: SECB delivered P1.2B in Net Income for 3Q2012, in-line with our expectations. We expect SECB to continue along this trajectory, as we estimate that it will deliver FY2012E Net Income of P7.0B. We also think that SECB is starting to show more consistent signs of growth and that its efforts will allow it to strengthen its earning capacity moving forward. We believe that the bank is adequately capitalized and can continue its aggressive balance sheet expansion.

RFM issues cash dividends

➤ RFM Corporation has approved the declaration of cash dividend amounting to P0.02434/share with record date on Nov 28 and payment date on Dec 26, 2012.

EEI 9M12 net income rises 25% YOY to 728M

- EEI's 9M12 net income registered at 728M (+25% YOY) due to a 75% increase in construction revenues and a 39% increase in services revenues. As of Sept 30, the company still had P18.5B worth of in-progress portions of existing contracts, 65% of which are for domestic projects and the remaining 35% for foreign projects.
- Comment: EEI's results were in-line with our estimates. This not only refers to the strong performance of their local construction operations and service contracts but also includes the decline in real estate sales and their earnings from Saudi Arabia construction works. Their 9M12 net income is ~83% of our full year target.

Jollibee 3Q12 profit up 19% on sales, margin growth

- Jollibee generated a net income attributable to equity holders of P2.48B (+20.4% YOY) for 9M12 and sales revenues of P67B (+13% YOY). Net margin came in at 5.1% versus 4.9% achieved in 2011. Quarterly gross profit margin was higher at 17.9%, slightly better than last year's 17.4%. This was achieved via a slight decrease in the prices of raw materials, cost improvement projects at its commissaries in the Philippines and greater cost efficiency in local operations.

San Miguel declares cash dividends for Series 2 preferred shares

- The company has declared a cash dividend of P1.41/share, P1.43/share, and P1.50/share for preferred subseries 2A, 2B and 2C, respectively for shareholders on record as of Dec 20, 2012. Payments will be made on January 4, 2013.

Filinvest Lands 9M12 income rises by 18%

- Filinvest Land's 9M12 income rose to P1.97B (+18% YOY) fueled by the increase in real estate sales amounting to P5.36B (+24% YOY). Rental income contributed P1.30B (+17% YOY). As a result, total revenues amounted to P7.43B (+17% YOY). Sales take up reached P9.91B (+17% YOY) with the launch of six new projects and eight additional phases of existing projects.

San Miguel profit up 61%, revenue up 29% for 9M12

- San Miguel reported consolidated sales revenue of P509.2B (+29% YOY) and net income attributable to equity holders of P19.2B (+61% YOY). Petron posted improvement starting August and the Food group sustained profitability during the third quarter. Operating loss for Ginebra was pared down to P393M, a 26% improvement from 2011.

D&L Industries starts roadshow today (Nov 15,2012)

- D&L Industries will have a company presentation open to all investors and analysts this Thursday, Nov 15, 2012, 4:00 pm at the Rizal Ballroom B, Makati Shangri-La Hotel, Ayala Avenue, Makati City .Registration starts at 3:30 pm.

Ayala Corp to issue 7 Year P10B bond

- Ayala Corp.is offering a P10B 7-year corporate bond. The bonds will bear an interest rate of 5.45% per annum. Book building process has already indicated a strong demand for the bond with orders accounting for around 170% of the issue size.Funds raised will be used for the robust pipeline of projects in the power and transport infrastructure sectors. The bonds are expected to be listed at the PDEX on Nov 23.

CURRENCIES

US, Dollar	41.1550
Japan, Yen	0.5130
UK, Pound	65.2012
Hong Kong, Dollar	5.3099
EU, Euro	52.4067
Saudi Arabia, Rial	10.9753
China, Yuan	6.6110
Singapore, Dollar	33.6454

COMMODITIES

WTI CRUDE FUTURE (USD/bbl.)	86.32	+1.10%
GOLD 100 OZ FUTR (USD/t oz.)	1,730.10	+0.31%
SILVER FUTURE (USD/t oz.)	32.88	+1.21%
CORN FUTURE (USd/bu.)	729.25	+0.41%
SUGAR #11 (USd/lb.)	19.24	-0.57%
SOYBEAN FUTURE (USd/bu.)	1,419.75	+0.05%



Vista Land delivered record sales for 9M2012

- VLL reported that its 9M2012 sales reached P30.1B, resulting to 9M2012 Net Income of P3.2B. This is on-track with the company's FY2012 targets of P40B of sales and P4.2 in Net Income. The company also said that most of the sales for this year came from its Camella brand, both in Metro Manila and in the provinces. Moving forward, the company expects to continue delivering strong sales performance as the demand for house and lots continues to be strong.

Leisure and Resorts World earnings jumped 8-fold in 9M2012

- LR reported that 9M2012 Net Income Attributable to Shareholders surged to P107.6M, a huge increase from P12.3M in the same period last year. This was driven by a 14% YOY increase in revenues, which reached P3.3B for 9M2012. Likewise, 9M2012 EBITDA was up 118%% YOY to P239M. Moving forward, the company expects to maintain its growth trajectory, as revenues from electronic bingo as well as service and hosting fees generated by its subsidiary, First Cagayan, continue to grow strongly.

First Gen 9M2012 net income reached \$147M

- FGEN's 9M2012 Net Income surged to \$147.0M from only \$10.1M in the same period last year. The company said that the increase was mostly due from stronger earnings from EDC, as well as the absence of the impairment charges that dragged EDC and FGEN's earnings. FGEN's revenues also grew by 15.2% to \$1.2B for 9M2012. The consolidation of the Santa Rita and San Lorenzo gas plants into FGEN also contributed to the growth in FGEN's earnings, as they contributed \$81.5M for 9M2012, \$21.9M higher than their earnings contribution for the same period last year.

EastWest 9M2012 jumped to P1.4B

- EW reported that its 9M2012 Net Income reached P1.4B, up 9.9% vs. the same period last year. EW's results were driven by a 22.1% YOY increase in Net Interest Income, which reached P4.3B in 9M2012, as well as an 84.6% YOY increase in Non-Interest Income, which reached P2.9B in 9M2012. EW's loans also grew to P61.0B (+36.4% YOY). The effects of increase in the bank's Net Revenues, however, were tempered by the increase in Operating Expenses (+46.6% YOY to P4.5B) and Provisions (+127.9% YOY to P1.2B).
- Comment: EW's results are in-line with our forecast and we believe that the company is on-track to deliver or exceed P1.7B in Net Income for FY2012. We also like how EW has continued to deliver strong loan growth and high margins, just when most local banks are dealing with slowing loan growth and margin contraction. We also think that the increase in EW's opex shows that the company is investing in the bank's infrastructure and that this investment will allow the bank to enjoy economies of scale later on.

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