



WEALTH SECURITIES

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THE WEALTH VAULT

A Product of Wealth Securities, Inc.

Monday, 06 May 2013

Index	Value	Change	% Change
PSEi	7,215.35	121.93	1.72▲
All Shares	4,490.00	65.41	1.48▲
Financials	1,868.33	42.24	2.31▲
Industrial	10,935.79	129.04	1.19▲
Holding Firms	6,543.36	154.32	2.42▲
Services	2,094.35	15.87	0.76▲
Mining and Oil	20,158.49	133.00	0.66▲
Property	2,948.53	52.73	1.82▲

WORLD INDICES

S&P 500	1,614.42	+1.05%
FTSE 100	6,521.46	+0.94%
Nikkei	13,694.00	-0.76%

TRADING SNAPSHOT

Index Movers

SM	+14.35
MBT	+13.20
ALI	+12.90
AC	+12.67
AGI	+9.96

Index Out-performers

	Up
MBT	4.01%
AGI	3.94%
AC	3.44%
GLO	3.33%
MER	2.65%

Index Under-performers

	Down
BLOOM	-2.42%
SMC	-0.41%
SCC	-0.33%



PSEi Index

May 03, 2013:	7,215.35	+121.93
Value T/O, net	P 8,732	million
52-week High	7,230.40	
Low	4,863.42	

Foreign Buying:	P 9,918	million
Foreign Selling:	P 7,859	million



HEADLINES

S&P breaches 1,600 on higher payrolls

➤ From Bloomberg: The Standard & Poor's 500 Index advanced 1.1% to 1,614.42 last Friday topping 1,600 for the first time. The Dow gained 142.38 points, or 1%, to 14,973.96 after earlier climbing as high as 15,009.59. The Labor Department reported payrolls expanded by 165,000 workers last month following a revised 138,000 increase in March that was larger than first estimated. Unemployment dropped to 7.5%, the lowest level since December 2008, from 7.6% in March.

➤ Kraft Foods Group, the grocery business spun off from Kraft Foods Inc. last year, rose 5.1% to \$53.11 after reporting first-quarter earnings of 76 cents a share, including a restructuring charge of 12 cents a share. AIG (AIG), the insurer that repaid a bailout last year, climbed 5.7% to \$44.52, the highest in more than two years. First-quarter operating profit, which excludes some investment results, was \$1.34 a share.

Phl safe from asset bubbles – BSP

➤ In its Status of Philippine Financial System Report released last Friday, the central bank said residential real estate loans increased 19.8% to P264.2 B from P220.8 B a year ago. Despite the marked increase, residential property loans enjoyed the lowest bad loan ratio or the proportion of unpaid loans over the loan portfolio. Bad loans are those that remained unpaid 30 days after the due date. BSP Governor Amando Tetangco Jr. said there are “no emerging signs” of asset bubble formation in the Philippines despite the affordability of bank credit and surge of inflows from abroad.

SC 55 consortium commits to Palawan drilling program

- The consortium behind Service Contract (SC) 55 said it is committed to exploring and developing the offshore gas field in Southwest Palawan. “Certainly, all the joint venture partners are committed to delivering the Cinco well consistent with our service contract commitment,” Gregor McNab, CEO of consortium member Otto Energy Ltd., said in a teleconference. Trans-Asia president Francisco Viray said in a text message that the company shares the same commitment with Australia’s Otto Energy, adding that BHP Billiton is not withdrawing from the project.
- Energy Secretary Carlos Jericho Petilla earlier said if the consortium is unable to fulfill its obligations by August 2013, the department may award the contract to other interested parties.
- SC 55 is located near the Malampaya gas field in offshore Palawan. It includes the Cinco well but to date, no offshore drilling has occurred. In terms of potential resource, the DOE estimates SC 55 to contain some 2.2 trillion cubic feet of gas, at par with the Malampaya field that currently provides fuel to three key power plants in Luzon. Trans-Asia has a 6.82% stake in SC 55,

On lower metal prices: Nickel Asia profit falls 65% in Q1

- Nickel Asia Corp. registered a 65-percent drop in its net income in the first quarter of the year on lower metal prices and an appreciating peso. The company reported a net income of P100.3 M against P286 M in the same period last year. Total revenues during the first quarter of the year fell to P1.40 B from P1.75 B in 2012. The company also sold a lower volume of nickel ore during the the first three months of the year.
- “Due to the seasonality of our business, typically the first quarter is the slowest quarter,” said Nickel Asia president and CEO Gerard Brimo. Volume is expected to pick-up in the next three quarters especially with the operations of the Taganito plant by the second half of the year.

PLDT media business remains insignificant contributor to profit

- Yoshio Takahashi, assistant vice president of Moody’s, said that PLDT’s media business would remain a insignificant contributor to the company’s profitability over the next two to three years. Revenues from PLDT’s TV business accounted for about 2% to 3% of the total group revenues last year. The analyst said the PLDT Group is strategically increasing its investment in the media business to strengthen its ability to deliver multi-media content through its broadband and mobile networks.
- Meanwhile, Moody’s said the decision of PLDT to sell its entire stake in business process outsourcing (BPO) unit SPi Global Holdings Inc. to CVC Capital Partners’ Asia Outsourcing Gamma Ltd for over \$300 M and reinvest \$40 M for a 19.7% interest in AOGL is credit positive.

CURRENCIES

US, Dollar	40.8500
Japan, Yen	0.4119
UK, Pound	63.5798
Hong Kong, Dollar	5.2653
EU, Euro	53.5878
China, Yuan	6.6356
Singapore, Dollar	33.1064

COMMODITIES

BRENT CRUDE OIL (USD/bbl.)	104.19	+1.30%
GOLD 100 OZ FUTR (USD/t oz.)	1,464.20	-0.23%
SILVER FUTURE (USD/t oz.)	24.01	+0.77%
CORN FUTURE (USd/bu.)	661.25	-0.11%
SUGAR #11 (USd/lb.)	17.75	+2.54%
SOYBEAN FUTURE (USd/bu.)	1,387.00	+0.91%



ABS-CBN investing heavily on digital TV

- ABS-CBN Corp. is investing heavily on infrastructure and test broadcast activities to ensure a smooth transition to digital terrestrial television (DTV) and cable TV to bring clear TV viewing to millions of Filipino households. Subsidiary SkyCable has tied up with Singapore Technologies Telemedia which infused P3.9 B of fresh capital to the company. With the acquisition of Destiny Cable, the pay TV platform increased its number of subscribers by 40% to 700,000 from 500,000. Furthermore, ABS-CBN has removed the preemptive rights of shareholders as it plans to raise funds for its capital expenditures amounting to P5 B this year.

Manila Water appeals P29 M fine before SC; Boracay Water completes plant upgrade

- Manila Water Co. Inc. is appealing before the Supreme Court the imposition of P29.4 million in fines by the DENR in 2009 for violation of the Clean Water Act. The Environmental Management Bureau (EMB) – Metro Manila, Calabarzon and Central Luzon filed charges against the MWSS for failing to install and maintain wastewater-treatment facilities (WTFs) within five years following the implementation of the Clean Water Act in May 2004. The EMB said this affected the quality of water in the Meycauayan and Marilao rivers which drain into the Manila Bay.
- Subsidiary Boracay Water has completed the upgrade of its Balabag Sewage Treatment Plant (STP), doubling its previous capacity. The upgraded wastewater treatment plant would now treat up to 6.5 M liters of wastewater per day versus its previous capacity of 2.6 M liters

Del Monte profit posts low growth in Q1

- The Singapore-listed Del Monte said earnings inched up 2% to \$4.5 M in the first three months of the year. Del Monte said its non-branded business was flat due to weak demand in export markets, particularly canned fruits, and lower pineapple concentrate prices. Hence, the company plans to adjust its product mix towards their branded products to deliver stronger growth and higher margins.

China Bank net income up 62% in first quarter, declares cash (P1.2) and stock (10%) dividends

- China Bank announced a first quarter net income of P1.79 B—62.5% higher compared to the same period last year. Gross revenues increased by 24.7% driven by trading and securities gains—which expanded 80.7% YOY—and higher fee-based revenues.
- Stockholders approved the declaration of a 10% stock dividend and a 12% (P1.20) per share cash dividend subject to approval of the BSP, SEC and PSE.

FPH P2.00 cash dividends

- First Philippine Holdings Corp.'s Board of Directors approved the declaration of regular (P1.00) and special cash dividends (P1.00) payable on or before June 11, 2013 to shareholders on record as of May 20 (ex-date: May 15).



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