



## 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.

Monday, 27 May 2013

Index	Value	Change	% Change
PSEi	7,268.91	-45.47	0.62 ▼
All Shares	4,465.49	-19.93	0.44 ▼
Financials	1,849.03	-11.94	0.64 ▼
Industrial	10,855.16	-76.80	0.70 ▼
Holding Firms	6,552.29	-32.70	0.50 ▼
Services	2,121.20	-13.08	0.61 ▼
Mining and Oil	17,033.46	-105.35	0.61 ▼
Property	3,028.37	-7.76	0.26 ▼

WORLD INDICES

S&P 500	1,649.60	-0.06%
FTSE 100	6,654.34	-0.63%
Nikkei	14,612.50	+0.89%

TRADING SNAPSHOT

Index Movers

BPI	-8.92
ICT	-5.45
URC	-5.41
SM	-3.74
BDO	-3.52

Index Out-performers

BLOOM	2.03%
PCOR	1.92%
MEG	1.51%
SMC	1.33%
SCC	1.07%

Index Under-performers

ICT	-2.28%
EDC	-2.26%
BPI	-2.03%
URC	-2.00%
MER	-1.77%



PSEi Index

May 24, 2013:	7,268.91	-45.47
Value T/O, net	P 4,589	million
52-week High	7,392.20	
Low	4,863.42	

Foreign Buying:	P 3,462	million
Foreign Selling:	P 4,320	million



HEADLINES

US stocks fall slightly as investors weigh stimulus withdrawal and economic recovery

- From Bloomberg: Last Friday, the Standard & Poor's 500 Index fell 0.1% to 1,649.60 after sinking as much as 0.8% earlier. The Dow Jones Industrial Average added 8.60 points, or 0.1%, to 15,303.10, recovering from a 95-point loss. About 10 stocks fell for every 9 that rose. "The market is trying to price in that at some point in time the Fed is going to take their foot off the gas pedal," Arvin Soh, a portfolio manager with GAM USA Inc. in New York, said by phone. His firm had \$53.3 billion in assets under management as of Dec. 31. "That's because growth is picking up and is sustainable. That should ultimately be a good thing. The problem is everyone is long risk. When one thing gets triggered, that automatically causes selling and it feeds itself."
- Sears sank 14% to \$50.25. The retailer reported a first-quarter loss of \$2.63 a share as revenue fell 8.8% to \$8.45 billion. P&G surged 4%, the most in the Dow, to \$81.88. The world's largest consumer products maker is changing CEOs as it struggles to rekindle growth at home and abroad.

BSP governor expects outflows to be minimal post-withdrawal of US stimulus

- Last Wednesday, minutes the Federal Open Market Committee meeting showed that some members wanted to adjust the flow of bond purchases downward. According to BSP Governor Amando Tetangco Jr, while there may be capital outflows from the withdrawal of stimulus in the US, investors will still look at the fundamentals and prospects of individual countries. He expects outflows from the country to be minimal.

### **MPIC sees higher toll, utility rates driving earnings growth this year**

- Metro Pacific Investments Corp.'s (MPIC) sales volume of utilities Manila Electric Co. (Meralco) and Maynilad rose 9% and 6%, respectively, while traffic volume of Metro Pacific Tollways Corp. (MPTC) picked up 8%. According to President and CEO Jose Ma. K. Lim, the company is hoping to get an approval for toll rate increase and Maynilad Water Services Inc.'s rate rebasing within the year.

### **Yuchengco investment holding firm posts slight core income hike in Q1**

- House of Investments (HI), the investment holding firm of the Yuchengco Group, said its consolidated core net income increased slightly to P416.1 million in the first quarter from P415.7 million a year ago. However, with the inclusion of non-recurring items, net income dropped 9.2% to P241.4 million. Total revenues also slightly went down 4% to P4.65 billion, due to the decline in revenues from construction unit EEI as the firm concluded some of its international projects. At the end of the first quarter, EEI had a backlog of P22.2 billion, 47% of which is slated for foreign projects. Revenues from sale of services, on the other hand, which also include construction and service revenue from EEI, dropped from P3.3 billion to P3.1 billion. Revenues from school and related operations, meanwhile, rose to P450.4 million. Enrollment in Malayan Colleges Inc. and Malayan Colleges Laguna continue to show steady growth, year on year. Sales of goods (which include results from the Honda and Isuzu auto dealership) increased to P1.14 billion from P1.105 billion

### **Megaworld to hike authorized capital, AGI to subscribe to 2.5 B shares**

- Megaworld Corp. said its board of directors allowed the company to hike its authorized capital stock by 10 billion shares with a par value of P1 each share. Of the 10 billion shares, 2.5 billion shares shall be subscribed by its parent, Alliance Global Group Inc. (AGI), at the price of P4.29 per share. The capital increase is still subject to shareholders' approval during the company's stockholders meeting in July. The company intends to use the subscription proceeds for project development, land acquisition, investments and general corporate purposes.

### **Melco Crown selling more shares**

- Melco Crown (Philippines) Resorts Corp. has granted UBS AG (Hong Kong), the stabilization agent, an option exercisable to purchase up to 117.075 million common shares of the corporation to cover over-allotments.

### **PLDT beefs up business solutions for SMEs**

- PLDT SME Nation has tied up with Sun Business, IP Converge and ABM Global Solutions to roll out a suite of Internet-based and real-time integrated business solutions for SMEs. The applications include HR and payroll; accounting; supply chain management (SCM); customer relationship management (CRM); Bus eReservation; electronic medical records; Google apps for business; Salesforce.com; and SAP Business One on-demand.

## **CURRENCIES**

US, Dollar	41.6050
Japan, Yen	0.4111
UK, Pound	62.9520
Hong Kong, Dollar	5.3592
EU, Euro	53.8437
China, Yuan	6.7840
Singapore, Dollar	32.9075

## **COMMODITIES**

BRENT		
CRUDE OIL	102.15	-0.48%
(USD/bbl.)		
GOLD 100		
OZ FUTR	1,386.30	-0.02%
(USD/t oz.)		
SILVER		
FUTURE	22.35	-0.65%
(USD/t oz.)		
CORN		
FUTURE	657.25	-0.72%
(USD/bu.)		
SUGAR #11	16.89	+0.42%
(USD/lb.)		
SOYBEAN		
FUTURE	1,476.00	-1.47%
(USD/bu.)		



**Pepsi cash dividends**

- Pepsi-Cola Products Philippines Inc.'s Board of Directors approved a cash dividend of P0.07 per common share payable on June 28, 2013 to shareholders on record as of June 7 (ex-date: June 4).

**Otto Energy on track to start Galoc drilling**

- Otto Energy Ltd. is on track with its plan to commence drilling at the Galoc oil field in northwest Palawan next month. Otto Energy said the drilling rig Ocean Patriot has already left Singapore and is on its way to Manila. The Ocean Patriot is expected to take approximately 10 days to arrive in the field. After the rig is anchored, it will proceed to spud the Galoc-5H and Galoc-6H wells. The consortium expects first oil to flow in the fourth quarter of 2014.



## 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)

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)

Sarah Uy

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

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)