



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.

Tuesday, 04 June 2013

Index	Value	Change	% Change
PSEi	6,763.38	-258.57	3.68 ▼
All Shares	4,176.87	-115.16	2.68 ▼
Financials	1,728.73	-68.28	3.80 ▼
Industrial	10,320.83	-290.34	2.74 ▼
Holding Firms	6,039.35	-179.28	2.88 ▼
Services	2,004.45	-58.08	2.82 ▼
Mining and Oil	16,636.94	-643.19	3.72 ▼
Property	2,742.77	-143.12	4.96 ▼

WORLD INDICES

S&P 500	1,640.42	+0.59%
FTSE 100	6,525.12	-0.88%
Nikkei	13,261.80	-3.72%

TRADING SNAPSHOT

Index Movers

ALI	-43.00
TEL	-30.21
SM	-24.32
BPI	-19.12
BDO	-18.01

Index Out-performers

RLC	3.20%
SMC	2.17%

Index Under-performers

FGEN	-7.62%
ALI	-7.26%
SMPH	-6.46%
DMC	-5.14%
BDO	-4.94%



PSEi Index

June 03, 2013:	6,763.38	-258.57
Value T/O, net	P 9,696	million
52-week High	7,403.65	
Low	4,890.20	

Foreign Buying:	P 9,373	million
Foreign Selling:	P 12,648	million



HEADLINES

US stocks rise as weak factory output data deters tapering of stimulus

- From MarketWatch: U.S. stocks rallied on Monday, bouncing back from weekly losses, as investors gauged the impact of disappointing factory data on potential quantitative-easing moves by the Federal Reserve. The Institute for Supply Management said Monday its business-conditions index fell to 49 in May from 50.7 in April, its first contraction since November. The dollar fell below the 100-Japanese-yen level.
- After falling nearly 8 points, the Dow Jones Industrial Average gained 138.46 points, or 0.9%, to end at 15,254.03, with all but two of its 30 components in the green, led by Intel Corp. up 4%, and Merck & Co. Inc. up 3.8%. The S&P 500 index gained 9.68 points, or 0.6%, to 1,640.42, with consumer staples leading the gains that included all of its 10 major industry sectors. Bristol-Myers Squibb Co. was among the S&P 500's leading gainers, ahead 3.4%, after its and Merck's latest versions of immune-enhancing drugs yielded promising initial results.

Tan not infusing 49% PAL stake in LT Group

- Tycoon Lucio Tan is abandoning a plan to infuse his 49-percent stake in flag carrier Philippine Airlines Inc. into holding firm LT Group Inc., his son Michael Tan said last Friday. The younger Tan, who is also president of LT Group, said that adding PAL and budget arm PAL Express would only distract investors from the type of consumer story the conglomerate, reorganized just last year, was trying to build.

T-bill yields rise; 6-month, 1-year rates touch 1%

- As fund owners sought higher returns, the bellwether 91-day rate reached 0.9% in Monday's monthly auction for short-term government securities, inching up 68.3 basis points from 0.217% in May. Demand for the three-month debt paper amounted to P9.4 B compared with the government's debt offering of only P4 B. National Treasurer Rosalia de Leon said a substantial portion of the bids was from foreign fund owners who found peso-denominated securities attractive given the economy's favorable macroeconomic fundamentals.
- The rate for the 182-day bills hit 1%, up 60.2 basis points from the previous yield of 0.398%. Bids for the six-month securities amounted to P10.1 B compared with the P6 B sold by the government.
- The yield for the 364-day bills hit 1.25%, up 64.8 basis points from the previous month's 0.602%. Tenders for the one-year debt paper amounted to P16.31 B compared with the government's debt offering of only P10 B.

DOE awards coal exploration contracts to Semirara

- The Department of Energy (DOE) has awarded coal exploration contracts to Semirara Mining Corp. of the Consunji Group covering two parcels of coal-bearing land in Mindoro Oriental. Semirara Mining said the contract for coal-bearing land in the municipality of Bulalacao covers two phases – the exploration phase and the development and production phase. Under the exploration phase, Semirara Mining has two years to commence and may extend this for a maximum of two years. The exploration phase will terminate automatically unless coal reserves in commercial quantity are delineated. The DOE said Semirara Mining may proceed with the development and production phase for up to 10 years if coal reserves exist in commercial quantity. The company has committed to spend no less than P148 M for its work program for the first two years in the conduct of geological investigation, geodetic survey and sub-surface exploration for the coal contract area 002E.

Aboitiz unit completes rehab of Navotas barges

- A unit of Aboitiz Power Corp. has completed the rehabilitation of four power barges moored at the fish port complex in Navotas City, allowing it to contribute a total of 242 megawatts to the Luzon grid. Wholly owned subsidiary Therma Mobile Inc. had recently inaugurated the four Navotas power barges, which are bunker C-fired diesel plants. Therma Mobile acquired in May 2011 the four units of barge-mounted floating power plants now moored at the Fishport Complex in Navotas City for P2.3 B. At that time, the barges had not been operating for five years. A power barge is a floating power plant that can be towed to and moored in different areas. Transfers, however, require meticulous preparations and permits from various agencies.

CURRENCIES

US, Dollar	42.0650
Japan, Yen	0.4216
UK, Pound	64.4378
Hong Kong, Dollar	5.4190
EU, Euro	54.9869
China, Yuan	6.8607
Singapore, Dollar	33.5821

COMMODITIES

BRENT CRUDE OIL (USD/bbl.)	102.06	+1.66%
GOLD 100 OZ FUTR (USD/t oz.)	1,413.40	+0.11%
SILVER FUTURE (USD/t oz.)	22.67	+1.92%
CORN FUTURE (USD/bu.)	560.00	-1.28%
SUGAR #11 (USD/lb.)	16.27	-0.97%
SOYBEAN FUTURE (USD/bu.)	1,532.50	0.00%



Meralco seeks increase in distribution charges

- Manila Electric Co. (Meralco) seeks to increase its distribution, supply and metering charges by 2.07 centavos per kilowatt-hour to P1.6510 per kWh. The distribution utility currently collects P1.6303 per kWh to cover these costs. Based on the February 2013 billing, the P1.6510 per kWh being sought accounts for roughly 18% of the total charges billed to a Meralco customer. The yearly adjustment of the distribution, supply and metering charges is allowed under the performance-based regulation scheme (PBR), an internationally accepted mechanism that promotes the efficient operation of utility firms, enabling them to render high quality service to their customers.
- For this year, the distribution utility plans to invest roughly P11 B for its capital expenditure projects.

Subsidy to state firms down by 38% in Jan to April

- The government extended some P1 B in subsidies to state-owned and -controlled corporations in April, the bulk of which went to postal service, irrigation, railways and health agencies. Data from the Bureau of Treasury (BTr) showed that the amount was only about one-third of the P2.8 B given out in the same month last year. This brought cumulative subsidies to state firms in the first four months of the year to P5.2 B, down by 38% from P8.4 B in the same period last year. Cumulative expenses on subsidies have been easing year on year as the government tempered its budget deficit amid double-digit growth in spending for the four-month period.

Starmalls eyes P5B debt and possible follow-on offering for mall expansion

- Starmalls Inc., the mall and office leasing unit of the Villar family, is looking to borrow as much as P5 B from banks this year to support its mall expansion program. Last year, Starmalls said it is spending P15 B to expand its malls nationwide in the next five years, particularly in the Visayas and Mindanao. To secure additional capital, Villar said Starmalls is looking to sell shares next year. Thai mall developer Land & House, which owns an 11-percent stake in Starmalls, is a potential buyer for the planned follow-on offering.



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