



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.

Monday, 03 June 2013

Index	Value	Change	% Change
PSEi	7,004.94	51.59	0.74▲
All Shares	4,291.77	-6.41	0.15▼
Financials	1,797.01	30.85	1.75▲
Industrial	10,547.79	19.49	0.18▲
Holding Firms	6,254.82	8.57	0.14▲
Services	2,063.65	13.36	0.65▲
Mining and Oil	17,285.33	-86.66	0.50▼
Property	2,872.00	7.42	0.26▲

WORLD INDICES

S&P 500	1,630.74	-1.43%
FTSE 100	6,583.09	-1.11%
Nikkei	13,774.50	+1.37%

TRADING SNAPSHOT

Index Movers

ALI	+17.55
ICT	+15.33
BPI	+14.02
BDO	+10.96
URC	+10.60

Index Out-performers

	Up
ICT	6.95%
BEL	4.94%
MPI	4.49%
EDC	4.20%
URC	4.06%

Index Under-performers

	Down
RLC	-8.37%
SMC	-7.54%
MEG	-5.17%
JFC	-3.00%
AC	-2.33%



PSEi Index

May 31, 2013:	7,004.94	+51.59
Value T/O, net	P 17,627	million
52-week High	7,403.65	
Low	4,890.20	

Foreign Buying:	P 27,701	million
Foreign Selling:	P 16,181	million



HEADLINES

US stocks decline on QE worries

- From Bloomberg: U.S. stocks fell for the week as investors speculated the Federal Reserve will consider scaling back stimulus efforts. The S&P 500 slipped 1.1% to 1,630.74 over the four sessions in the holiday-shortened week, trimming its 2013 gain to 14%. The index finished May up 2.1% for a seventh straight monthly rally, the longest stretch since September 2009. The Dow Jones Industrial Average lost 187.53 points, or 1.2%, to 15,115.57 for the week after hitting an all-time high of 15,409.39 on May 28.
- Telephone and utility shares helped lead a retreat in companies that offer stable earnings and high dividends as Exelon Corp. and Verizon Communications Inc. tumbled at least 5.7%. Financial and technology stocks were the only groups with gains among the S&P 500's 10 main industries. Bank of America Corp. and Morgan Stanley jumped more than 3% as Moody's Investors Service lifted its outlook for the U.S. banking system. EMC (EMC) Corp. rose 4.7% after expanding its share buyback plan and starting a quarterly dividend.

Filinvest Development Corp. cash dividends

- Filinvest Development Corp.'s Board of Directors approved the declaration of cash dividends amounting to P0.0536 per common share payable on July 17, 2013 to shareholders on record as of June 27 (ex-date: June 24).

SM Group merges real estate businesses

- SM Investments Corp. (SMIC) has finalized the merger of its real estate businesses. The transaction will involve several steps. First, private firm SM Land Inc. will acquire upscale developer Highlands Prime Inc. (HPI) and residential builder SM Development Corp. (SMDC) in exchange for shares in SM Prime Holdings Inc.
- SMDC shareholders will receive 0.472 SM Prime share for each SMDC stock while HPI stockholders will get 0.135 SM Prime share for every HPI stock. Both SMDC and HPI will exit the local bourse.
- Next is the merger of SM Land with SM Prime, which will be the surviving entity. SM Prime will also acquire assets like the SM Mall of Asia complex, Pico de Loro, and SM Hotels and Conventions Corp. currently held by SMIC.
- The transformed SM Prime will have P284 B in current assets from P148 B, revenues of P58.4 B from P30.7 B, net income of P17 B from P10.9 B and a total landbank to 920 hectares from 110 hectares. SM Prime's market capitalization will hit at least \$14 B.

Gov't debt to economic output ratio drops to record low

- General government debt accounted for 40.6% GDP last year, the Department of Finance (DOF) said. It was the lowest since record began in 1998. General government debt is a broader measure of state liabilities considered by credit rating agencies in measuring the sustainability of sovereign debts. The metric includes those incurred by both the national and local governments as well as social security institutions such as the Social Security System and Government Service Insurance System. It nets out those located in the "bond sinking fund" (BSF) which is the amount set aside and invested elsewhere by the state whenever it borrows money from the financial markets. According to the DOF, the decline could be traced from a dip in foreign debts as the Aquino administration decided to buy back P22.3 B worth of these liabilities using the BSF. For this year, the government has said it will not raise funding offshore and just take advantage of high domestic liquidity to meet its financing needs.

Peso may regain strength vs dollar this year – UBS

- Based on UBS estimates, the peso is seen to end the year at 41.50 against the greenback, just slightly weaker than the 39.50 projected earlier. It is however expected to fall to 42.50 next year. The Malaysian ringgit, on the other hand, could hit 3.0 this year, down from the original projection of 2.8, but still better compared to the 2014 forecast of 3.1. For the Thai baht, the exchange rate could hit 29 this year, dipping from the original 28. For 2014, it could slide to 30.

CURRENCIES

US, Dollar	42.2650
Japan, Yen	0.4210
UK, Pound	64.2814
Hong Kong, Dollar	5.4444
EU, Euro	54.9396
China, Yuan	6.8897
Singapore, Dollar	33.4985

COMMODITIES

BRENT CRUDE OIL (USD/bbl.)	99.96	-0.43%
GOLD 100 OZ FUTR (USD/t oz.)	1,389.50	-0.25%
SILVER FUTURE (USD/t oz.)	22.25	+0.01%
CORN FUTURE (USd/bu.)	567.25	+0.80%
SUGAR #11 (USd/lb.)	16.73	+0.30%
SOYBEAN FUTURE (USd/bu.)	1,509.50	+0.97%

Eton Properties sets P10-B spending program this year

- The real estate unit of tycoon Lucio Tan has outlined a P10-B expansion program this year to take advantage of the property boom. The P10-B spending will bankroll the construction of two residential towers of the upscale One Centris Place worth P3.5 B and Eton Towers Makati worth P3 B. The remainder will be for the West Wing Villas in the Belton Community in Makati which still has to complete three to four buildings and the 68 Roces upscale subdivision and high-rise building 8 Adriatico in Manila which will be delivered in the next two years.
- To date, around 20% of Eton Properties' earnings come from leasing operations, which the company targets to pick up to 50%. Profits of the property firm surged to P127.5 M in the first quarter from P19 M last year as revenues almost doubled to P1.16 B from P560 M. The increase in revenues is mainly attributed to higher percentage of completion of Eton's residential and condominium units as well as higher leasing revenues from commercial projects. Eton Properties operates three major brands – Eton for the high-end segment, Belton for the middle-income market and First Homes for “economic” housing.

Lucio Co holding firm raises P16.8 B

- Cosco Capital, Inc. announced today the successful pricing of its P16.8 B offering of 1,600,000,000 common shares at an offer price of PHP10.50 per share. The transaction includes the sale of 1,142,857,143 primary shares for PHP12 B, and the remaining consists of secondary shares worth P4.8 B. The company's total issued capital stands at 6.26 B shares.



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