



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, 24 June 2013

Index	Value	Change	% Change
PSEi	6,182.17	-144.50	2.28 ▼
All Shares	3,821.01	-98.64	2.52 ▼
Financials	1,606.36	-22.09	1.36 ▼
Industrial	9,385.75	-373.72	3.83 ▼
Holding Firms	5,542.52	-123.67	2.18 ▼
Services	1,873.00	-20.57	1.09 ▼
Mining and Oil	13,409.60	-1416.18	9.55 ▼
Property	2,448.22	-66.70	2.65 ▼

WORLD INDICES

S&P 500	1,592.43	+0.27%
FTSE 100	6,116.17	-0.70%
Nikkei	13,230.10	+1.66%

TRADING SNAPSHOT

Index Movers

SM	-21.54
AP	-12.89
AEV	-11.10
MWC	-10.80
EDC	-10.71

Index Out-performers

Up

JFC	2.45%
MPI	2.00%
BDO	1.22%
AC	0.92%
ALI	0.35%

Index Under-performers

Down

SCC	-11.54%
PX	-11.42%
RLC	-10.67%
AP	-9.94%
MWC	-8.84%



PSEi Index

June 21, 2013:	6,182.17	-144.50
Value T/O, net	P 10,124	million
52-week High	7,403.65	
Low	5,058.76	

Foreign Buying:	P 6,849	million
Foreign Selling:	P 9,120	million



HEADLINES

Treasury Yields Surge Most Since 2003 as Fed Previews Tapering

- From Bloomberg: Treasury 10-year note yields climbed the most since the start of the Iraq war as investors fled U.S. debt after the Federal Reserve predicted economic growth will be strong enough to allow policy makers to stop buying bonds. The 10-year yield increased 40 basis points to 2.53% this week in New York, according to Bloomberg Bond Trader prices.
- From MarketWatch: After a very choppy trading session, the S&P 500 index gained 4.24 points, or 0.3%, to end at 1,592.43. It fell 2.1% for the week. Eight of the S&P 500's 10 major sectors ended higher, with consumer staples leading gainers and information technology leading decliners. The Dow Jones Industrial Average rose 41.08 points, or 0.3%, to 14,799.40, leaving it down 1.8% for the week.
- In Asia on Friday, stocks in Shanghai and Hong Kong ended lower, but Japanese stocks advanced. European stocks dropped, with the Stoxx Europe 600 index falling 1.2% to 280.40, its lowest closing level of the year.

Ayala Land ventures into healthcare

- Ayala Land Inc. (ALI) is introducing hospitals in its provincial mixed-use developments. Its first hospital project is a P600-M partnership with Panay Medical Ventures Inc. and will be located in Atria, a mixed-use development in Iloilo. ALI president and CEO Antonino T. Aquino said mixed-use developments in Makati and Bonifacio Global City in Taguig have benefited significantly from the presence of hospitals such as Makati Medical Center and St. Luke's Medical Center. The property firm allotted P65.5 B in capital expenditures this year as it plans to launch 69 new projects worth P129 B to ensure continuous growth in the coming years.

Shell defers IPO decision

- Based on the Oil Deregulation Law of 1998, the IPO obligation is a function of an oil company with a refinery. Pilipinas Shell Petroleum Corp. is currently weighing its options for its 110,000-barrel per day refinery in Batangas. It is studying whether it would upgrade the refinery to meet new Euro four fuel standards that would take effect in 2016 or just shut it down as Chevron earlier did.

SEC approves final rules for ETFs

- The Securities and Exchange Commission (SEC) has approved the final set of rules regarding market making for Exchange-Traded Funds (ETF). ETFs are securities and investment instruments that monitor a commodity of assets like an index fund but trades like a normal stock in an exchange. A trading participant should first apply for a registration as an ETF market maker in the PSE. Market making is the process wherein a broker-dealer accepts the risk of holding a certain number of shares of a particular security to facilitate trading in such securities. Market makers display buy and sell quotations for an assured number of shares.

EDC to start construction of 87-MW Burgos wind farm

- Energy Development Corp. (EDC) is set to start construction of its 87-megawatt wind farm in Burgos, Ilocos Norte. The company has already issued the Notice to Proceed (NTP) to its wind farm contractor, Vestas, marking the start of actual construction works. Vestas of Denmark is the wind turbine manufacturer tapped by EDC to construct the 87-MW wind farm and ancillary equipment and facilities. To cover the project's investment cost of \$300 M, EDC recently tapped an \$80 M club loan facility and sold P7 B fixed rate bonds. The project is expected to achieve commercial operations by 2014.

Tan consolidates property assets into Megaworld

- Andrew L. Tan is folding his real estate units into flagship developer Megaworld Corp. Megaworld will spend nearly P7 B to acquire shares in tourism estate developer Global Estate Resort Inc. (GERI) and medium-cost housing units Empire East Land Holdings Inc. and Suntrust Properties Inc., the company told the local bourse.
- Specifically, Megaworld will acquire 2.5 B common shares of GERI at P2.26 per share or a 5% premium over its 30-trading day volume weighted average price. Megaworld will also purchase 1.2 B common shares in subsidiary ELI at P1.05 each based on the 30-day average price.

Bank of Commerce sale falls apart

- San Miguel Corp.'s (SMC) plan to unload subsidiary Bank of Commerce fell through after CIMB Group Holdings walked away from the supposed P12.2-B transaction. In a disclosure to the Malaysian Stock Exchange over the weekend, CIMB said the parties failed to reach an agreement after extending negotiations when the sale and purchase agreement (SPA) lapsed. In 2012, CIMB agreed to buy SMC's 60-% stake in BoC for P12.2 B. SMC currently owns 84% of the mid-sized lender.

CURRENCIES

US, Dollar	43.7200
Japan, Yen	0.4448
UK, Pound	67.2719
Hong Kong, Dollar	5.6362
EU, Euro	57.3001
China, Yuan	7.1288
Singapore, Dollar	34.2875

COMMODITIES

BRENT CRUDE OIL (USD/bbl.)	100.67	-0.24%
GOLD 100 OZ FUTR (USD/t oz.)	1,298.80	+0.53%
SILVER FUTURE (USD/t oz.)	20.11	+0.76%
CORN FUTURE (USd/bu.)	556.25	-0.76%
SUGAR #11 (USd/lb.)	16.74	+2.40%
SOYBEAN FUTURE (USd/bu.)	1,270.25	-1.40%



BDO, FMIC named best bank, bond house by The Asian Banker

- Regional financial publication The Asian Banker has named BDO Unibank Inc. as the best bank in the Philippines while First Metro Investment Co. (FMIC) was named best bond house. It also cited BDO Capital and Investment Corp. as the best domestic investment bank and best domestic equity house. Meanwhile, Citi topped the best foreign commercial bank category in the Philippines while UBS was tagged as the best foreign investment bank in the country.

S&P hikes Meralco corporate credit rating

- Standard & Poor's Ratings Services has raised its long-term corporate credit rating on Manila Electric Co. (Meralco) to 'BB' from 'BB-' with stable outlook on expectations that the country's biggest power distributor would see improved cash flows over the next two years.

SEC orders liquidation of Uniwide assets

- In a memorandum, the SEC ordered the dissolution of all the companies in the Uniwide Group of Companies, namely Uniwide Sales Inc., Uniwide Holdings Inc., Naic Resources & Development Corp., Uniwide Sales Realty and Resources Corp., First Paragon Corp. and Uniwide Sales Warehouse Club Inc. Liquidation of all existing assets will follow to pay existing debts. When the second rehabilitation plan was approved in December 2002, the Uniwide Group's capital deficit stood at P1.362 B but as of September 2009, this ballooned to P9.567 B. Creditors of Uniwide Group include Philippine National Bank, Land Bank of the Philippines and East West Banking Corp. As of June 2010, Uniwide Group's debts hit P10.45 B.

Tanduay to export products to US

- In a disclosure to the stock exchange, Tanduay Distillers Inc. said it selected Brand Action Team, Beacon Beverage Imports and MHW Ltd. "to lead the introduction of Tanduay Asian Rum to the US market this summer." Brand Action Team is a marketing and consulting firm specializing in aiding spirit, wine and beer brands enter and grow in the US. It is in charge of brand strategy, advertising, public and trade relations and social media marketing.
- Specifically, the distillery firm will launch Silver Tanduay and Gold Tanduay to the US market. Both brands received "Best Buy" ratings from Beverage Tasting Institute of Chicago and high scores from the Tasting Panel Magazine in 2012.

Phl external debt down to \$59 B in Q1 due to strong USD

- Foreign debt stock declined to \$59 B in the first quarter of this year, the central bank reported on Friday. The tally for the first three months was down from \$61.6 B in the same period last year and \$60.3 B in the fourth quarter of 2012. Central bank Governor Amando Tetangco Jr., in a statement, attributed the decline to the strengthening of the US dollar during the period that caused debt in other currencies to dwindle in value. External debt accounted for 22.8% of economic output in the first quarter, down from 26.9% a year ago. The bulk of foreign debt held by the public sector was at \$42.9 B, while the private sector owed \$16.1 B. External debt refers to all types of borrowings by Philippine residents from non-residents that are approved and registered by the central bank.



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

Miguel Agarao
Mining & Property
T: 634.5038 local 8164
miguel.agarao@wealthsec.com

ND Fernandez
Banking, Telcos & Transport
T: 634.5038 local 8152
ndfernandez@wealthsec.com

Bernard Aviñante
Conglomerates, Power & Gaming
T: 634.5038 local 8121
bernardavinante@wealthsec.com

Nikki Yu
Consumer
T: 634.5038 local 8150
nikki.yu@wealthsec.com

Sarah Uy
Construction
T: 634.5038 local 8160
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

