



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, 13 August 2013

Index	Value	Change	% Change
PSEi	6,443.81	39.58	0.62▲
All Shares	3,936.92	18.29	0.47▲
Financials	1,538.88	-0.24	0.02▼
Industrial	9,590.79	7.87	0.08▲
Holding Firms	5,831.87	47.56	0.82▲
Services	2,044.25	14.44	0.71▲
Mining and Oil	14,612.52	112.19	0.77▲
Property	2,522.79	41.24	1.66▲

AUGUST

13

2013

WORLD INDICES

S&P 500	1,689.47	-0.12%
FTSE 100	6,574.34	-0.14%
Nikkei	13,519.40	-0.70%

TRADING SNAPSHOT

Index Movers

ALI	+10.57
AEV	+9.24
BPI	+6.78
ICT	+6.70
SMPH	+5.02

Index Out-performers

	Up
AEV	3.19%
ICT	2.93%
MPI	2.75%
AP	2.37%
SMPH	2.29%

Index Under-performers

	Down
PCOR	-4.06%
MBT	-1.32%
MWC	-0.97%
RLC	-0.92%
FGEN	-0.88%



PSEi Index

Aug 12, 2013:	6,443.81	+39.58
Value T/O, net	P 3,240	million
52-week High	7,403.65	
Low	5,114.95	

Foreign Buying:	P 13,731	million
Foreign Selling:	P 13,680	million



HEADLINES

U.S. stocks end relatively flat in anticipation of economic reports

- From Bloomberg: The S&P 500 fell 0.1% to 1,689.47 at 4 p.m. in New York. The Dow Jones Industrial Average declined 5.83 points, or less than 0.1%, to 15,419.68. About 5 B shares changed hands on U.S. exchanges, 20% below the three-month average.
- Of the 450 companies in the S&P 500 that have reported quarterly results this period, 72% have exceeded analysts' profit estimates, with earnings rising 2.8% (data compiled by Bloomberg).
- Investors will be watching this week's releases in economic data: 1) retail sales from a Commerce Department report today, 2) a Fed release on Aug. 15 on the July output of factories, mines and utilities, and 3) housing starts and building permits on Aug. 16.
- The dollar touched the highest in almost a week versus the yen before the report today that may show U.S. retail sales climbed for a fourth month. The U.S. Commerce Department will probably show that retail sales climbed 0.3% last month after a 0.4% advance in June, according to the median forecast of economists surveyed by Bloomberg News.
- In Asia, government reports showed Japan's gross domestic product growth slowed from the first quarter to a pace below economists' forecasts while Chinese factor production increased a higher-than-expected 9.7% in July.

Megaworld profit up 15%

- Megaworld said its first semester earnings hit P4.25 B, up 15% from a year ago, while total revenues rose 12% to P17.28 B during the same period. Megaworld posted strong sales in its Newport City, Uptown Bonifacio, McKinley Hill and Eastwood City township projects. Megaworld, its medium-cost housing arm Empire East Land Holdings and affordable housing unit Suntrust Properties Inc. recorded P38 B in reservation sales in the first half, 27% higher from last year. Megaworld said rental income from its BPO office developments and lifestyle malls surged 25% to P2.83 B in the first six months from P2.26 B last year.

Holcim income jumps 34%

- In the first half of the year, Holcim Philippines Inc.'s net income surged 50% to P3 B while revenues expanded 10.5% to P15.28 B.

RFM profit rises 28% in H1

- RFM Corp. said its first half earnings jumped 28% to P387 M from P302 M last year. The lower commodity input costs this year, such as for sugar and wheat, helped in bringing cost levels down. RFM also enjoyed high demand in the summer season particularly for Selecta ice cream and Fiesta pasta on account of seasonal graduations and fiestas.

D&L Industries posts 16% profit hike

- D&L Industries Inc.'s net income jumped 16% to P655 M in the first semester. But revenues dropped 17% to P4.9 B due to lower prices of commodities like palm oil that was passed on to customers. However, D&L benefited from high margin specialty products like customized specialty food ingredients, plastics and aerosols. High margin products accounted for 66% of the group's overall sales, while low margin commodities like refined vegetable oils accounted for 34% of total turnover. Hence, gross profit margin picked up to 18.7% from 15% last year while net income margin hit 13.3% from 9.5% a year ago.

First Gen earnings drop 17% to \$77.7 M in H1

- First Gen Corp. posted a net income of \$77.7 M in the first half of 2013, down 17.4% from \$94 M in the same period last year. Consolidated revenues decreased by 4.2%, to \$984.6 M. The First Gas plants accounted for \$656 M (-6.3%), or 66.6% of consolidated revenues; EDC's geothermal revenues accounted for \$290.9 M, or 29.5%; and FG Hydro accounted for \$37.2 M, or 3.8%. The dip in earnings was expected given the reduced revenues from ancillary services and further delays in the rehabilitation of BacMan power plant. While EDC actually generated higher revenues and achieved savings in its operating expenses, the foreign exchange losses could not be avoided with the depreciation of the peso.

CURRENCIES

US, Dollar	43.6800
Japan, Yen	0.4492
UK, Pound	67.5116
Hong Kong, Dollar	5.6322
EU, Euro	58.0619
China, Yuan	7.1348
Singapore, Dollar	34.5734

COMMODITIES

BRENT CRUDE OIL (USD/bbl.)	108.97	+0.69%
GOLD 100 OZ FUTR (USD/t oz.)	1,335.50	+0.10%
SILVER FUTURE (USD/t oz.)	21.35	+4.60%
CORN FUTURE (USd/bu.)	464.00	+2.37%
SUGAR #11 (USd/lb.)	16.85	-1.81%
SOYBEAN FUTURE (USd/bu.)	1,225.25	+3.64%



Forex losses drag SMC to P2.4-B loss

- San Miguel Corp. reported a net loss attributable to the equity holders of the parent company of P2.4 B incurred in the first half of the year. This includes unrealized foreign exchange losses. However, excluding unrealized forex losses, SMC's recurring net income hit P7.8 B in the January to June period. Revenues reached P357.5 B, up 9% from last year due to strong performances from food subsidiary San Miguel Pure Foods and Petron Malaysia, which was consolidated into the the SMC Group in April 2012. San Miguel Brewery Inc.'s first half revenues were flat at P36.8 B while Ginebra San Miguel was greatly affected by higher taxes that resulted in a 12-percent drop in revenues to P6 B. Operating income picked up 19% to P28.9 B "brought about by lower generation costs from SMC Global Power Corp. and growth in volumes in the food group's operations."

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