



WEALTH SECURITIES

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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.

Tuesday, 08 October 2013

| Index | Value | Change | % Change |
|----------------|-----------|--------|----------|
| PSEi | 6,443.21 | 52.73 | 0.83▲ |
| All Shares | 3,882.52 | 28.16 | 0.73▲ |
| Financials | 1,588.80 | 7.06 | 0.45▲ |
| Industrial | 9,360.24 | 49.09 | 0.53▲ |
| Holding Firms | 5,803.51 | 105.81 | 1.86▲ |
| Services | 2,038.64 | -9.80 | 0.48▼ |
| Mining and Oil | 12,351.01 | 60.02 | 0.49▲ |
| Property | 2,475.93 | 30.00 | 1.23▲ |

WORLD INDICES

| | | |
|----------|-----------|--------|
| S&P 500 | 1,676.12 | -0.85% |
| FTSE 100 | 6,437.28 | -0.26% |
| Nikkei | 13,853.32 | -1.22% |

TRADING SNAPSHOT

Index Movers

| | |
|------|--------|
| SM | +24.76 |
| TEL | -5.30 |
| ALI | +5.21 |
| AC | +5.03 |
| SMPH | +4.34 |

Index Gainers

Up

| | |
|------|-------|
| SM | 3.65% |
| PX | 2.21% |
| RLC | 2.14% |
| SMPH | 2.08% |
| SMC | 1.73% |

Index Losers

Down

| | |
|-----|-------|
| GLO | 1.76% |
| TEL | 0.66% |
| ICT | 0.49% |
| MWC | 0.36% |
| SCC | 0.16% |



PSEi Index

| | | |
|----------------|----------|---------|
| Oct 07, 2013: | 6,443.21 | +52.73 |
| Value T/O, net | P 4,255 | million |
| 52-week High | 7,403.65 | |
| Low | 5,291.16 | |

| | | |
|------------------|---------|---------|
| Foreign Buying: | P 3,750 | million |
| Foreign Selling: | P 3,423 | million |



HEADLINES

U.S. Stocks Drop on Default Concern Amid Budget Deadlock

- **From Bloomberg:** The S&P 500 fell 0.9 percent to 1,676.12 at 4 p.m. in New York. The Dow Jones Industrial Average declined 136.34 points, or 0.9 percent, to 14,936.24.
- **Lowest Volume since Aug 29:** About 5 billion shares changed hands on U.S. exchanges, the slowest trading since Aug. 29.
- **All 10 industries in the S&P 500 declined except for telephone companies.** Consumer-discretionary, financial and raw-materials stocks fell the most, sinking at least 1.2 percent.
- **Earnings Estimates:** Profits for the broad index probably increased 1.7 percent during the third quarter while sales rose 2.2 percent, according to analysts' estimates compiled by Bloomberg. Analysts anticipate earnings growth to accelerate to 8.9 percent in the final three months of the year, the data show.

Philex Mining cancels rights offer

- **Philex Mining Corp.** announced that it is cancelling its stock rights offer due to unfavorable equity- and commodity-market conditions. The rights if continued would have been priced at a maximum of P5.00.

GT Capital acquires Non-Life Insurance Company Charter Ping An

- **GT Capital Holdings, Inc.** acquired 2,333,434 common shares of Charter Ping An Insurance Corp. at a fixed price of P614.3 per share. The acquisition represents 66.7% of Charter Ping An's outstanding stock
- **Our take:** The acquisition of a controlling stake in Charter Ping An from the Ty family forms part of the asset consolidation into GTCAP. We see this as a move to reinforce the financial services line-up under the GTCAP umbrella: Metrobank for the banking, AXA for the life insurance, and Charter Ping An for the non-life insurance component.

Maynilad opposes tariff cut

- **Our take:** The submission of Maynilad of the notice of dispute officially starts the arbitration process which automatically puts a temporary halt on the implementation of the tariff cut. Such a scenario could render a neutral effect on the financials of the water distributor (and, in effect, to MPI and DMC). Nevertheless, we see this legal issue as an overhang that could affect their respective share prices. MPI appears to be more vulnerable than DMC in terms of impact to Enterprise Value. Maynilad accounts for 22% of MPI while only 13% for DMC.

FLI unit forays into high-end market

- Filinvest Alabang Inc, a 20%-owned unit of Filinvest Land Inc, has launch its maiden project under the Exclusive Collection brand which will be catering to the "very high-end market." The initial project is a 3-tower mid-rise development in Alabang priced at P18.2m/unit. The company announced it will have more projects under the new brand.
- **Our take:** This foray bodes well for the company as this will enable it to diversify its product offering and expand its market reach. However, there may be some execution risks for Filinvest given the need for a different strategy and marketing capability to compete in an unfamiliar market.

CURRENCIES

| | |
|-------------------|---------|
| US, Dollar | 43.1150 |
| Japan, Yen | 0.4459 |
| UK, Pound | 69.3948 |
| Hong Kong, Dollar | 5.5603 |
| EU, Euro | 58.5324 |
| China, Yuan | 7.0429 |
| Singapore, Dollar | 34.5307 |

COMMODITIES

| | | |
|------------------------------------|----------|--------|
| BRENT CRUDE OIL (USD/bbl.) | 109.52 | -0.15% |
| GOLD 100 OZ FUTR (USD/t oz.) | 1,322.80 | -0.17% |
| SILVER FUTURE (USD/t oz.) | 22.29 | -0.45% |
| CORN FUTURE (USd/bu.) | 448.50 | -0.17% |
| SUGAR #11 (USd/lb.) | 18.45 | -0.75% |
| SOYBEAN FUTURE (USd/bu.) | 1,296.50 | +0.12% |



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