



**ACCORD CAPITAL**  
EQUITIES CORPORATION  
Member: Philippine Stock Exchange

# Market Daily

## INDICES:

|            | Latest    | % chng |
|------------|-----------|--------|
| PSEi       | 5,257.92  | 1.23   |
| All Shares | 3,449.07  | 1.10   |
| Financial  | 1,292.31  | 0.74   |
| Holdings   | 4,493.15  | 1.49   |
| Industrial | 7,825.89  | 0.69   |
| Mining/Oil | 24,780.70 | 1.00   |
| Property   | 1,904.13  | 0.99   |
| Services   | 1,786.92  | 1.86   |

## WORLD MARKETS:

|            | Latest    | % chng |
|------------|-----------|--------|
| Dow Jones  | 12,627.01 | 0.74   |
| S&P 500    | 1,331.85  | 0.90   |
| FTSE 100   | 5,523.92  | 1.41   |
| DAX        | 6,228.99  | 1.50   |
| CAC 40     | 3,063.12  | 1.67   |
| Nikkei 225 | 8,730.49  | 0.77   |
| Hang Seng  | 19,176.95 | 1.03   |
| CSI 300    | 2,447.20  | (0.31) |
| STI        | 2,841.60  | 1.28   |

## COMMODITIES (IN US\$):

|           | Latest   | % chng |
|-----------|----------|--------|
| Crude Oil | 80.05    | 0.87   |
| Gold Spot | 1,575.40 | 0.03   |
| Copper    | 333.50   | 0.44   |

## CURRENCIES (IN PHP):

|           |        |
|-----------|--------|
| US\$      | 42.290 |
| Euro      | 52.769 |
| Japan Yen | 0.530  |

## Market Summary and Outlook:

The local stock market extended its gains for the fourth straight day on Wednesday as investors remained optimistic over fleeing European investments seeking better returns in emerging Asian economies. The PSEi main index rose 64.08 points, or 1.23% higher from the previous day, to close at 5,257.92 on increased trading volume. Total value turnover climbed to PhP7.9bn, above this year's daily average value, with gainers beating decliners 110 to 49 while 41 issues remained unchanged. Sectoral averages ended the session in the green with services shares taking the lead followed by holding shares and mining and oil. Index heavyweights TEL (+1.5%), SM (+2.5%), and MBT (+2.4%) rose as did AP (+4.6%) and its parent AEV (+2.2%). Interestingly, gaming-related stocks BEL (+8.1%), BLOOM (+4.7%), and LR (+21%) all jumped in anticipation of the opening of PAGCOR City later this year.

Moves by world central banks to help stimulate economic growth and avoid a wider negative effect of the Euro crisis from taking hold could lift share prices higher for the fifth day. Also, the two-day EU Summit beginning on Thursday, where significant measures to stem the crisis are expected to be flushed out, could further ease lingering Euro concerns before the weekend. Next PSEi target: 5,300 to 5,330.

### Economic News:

**The Bangko Sentral ng Pilipinas (BSP)** said it expects June inflation rate to fall between 2.5% to 3.4% on steady consumer prices. Inflation rate in May dipped to 2.9% from 3.0% a month earlier. Year-to-date, the average inflation rate is at 3.0%, at the low-end of the official range for this year. The sharp drop in fuel prices this month will likely pull down the headline inflation number later in 3Q12.

PHL Inflation Rates (12 mos, %)



### Corporate News:

**SM Investments Corp. (SM)** has launched a PhP10bn bond offering for retail investors. The bonds will be offered in two tranches: Series C will have a term of seven years with a coupon rate of 6.0%; while Series D will have a 10-year term holding a rate of 6.9442%. Offer period for the bond sale will end on 6th July 2012, with its issue date on 16th July 2012. Proceeds of the bond sale will be used by SM to finance capex requirements until 2017. Meanwhile, SM is said to be in talks with Australian casino billionaire James Packer and Macau's Ho family for possible investments in the local hotel and casino industry. Mr. Packer is chairman of Crown, an Australian casino operator and part owner of Melco Crown Entertainment which is based in Macau and controlled by the Ho family. Melco Crown will be the foreign partner of **Belle Corp. (BEL)** for the US\$1bn hotel-casino complex being constructed in PAGCOR Entertainment City. **Hold for SM, Trading Buy for BEL.**

**RFM Corp. (RFM)** reported a net income of PhP241m in the first five months of this year, up 40% over the same period last year, on increasing margins and strong sales of its ice cream unit. Revenues in the January to May

# Market Daily

period went up 10% year-on-year to PhP4.3bn just as input costs declined mainly because of softer commodity prices of milk and sugar. The company's ice cream unit, Selecta, posted sales growth of 30% due to the strong sales of its Magnum brand. White King and Fiesta expanded by 50% while its beverage sales grew by double-digits in the period. At its current rate, RFM is online to beat its full year income target of PhP550m. Meanwhile, the company declared a property dividend of one (1) Philtown Properties, Inc. at PhP3.49 per share for every 77 RFM common shares to shareholders on record date 11 July 2012. **Buy.**

**San Miguel Corp. (SMC)** has filed with the Securities and Exchange Commission (SEC) for approval to raise up to PhP80bn through a preferred share offering in August. The conglomerate is looking to sell close to 1 billion preferred shares at a maximum price of PhP75 per share. Once approved, this will be the country's single biggest share offering in terms of Peso value. **Hold.**

## ECONOMIC INDICATORS:

|                      |        |
|----------------------|--------|
| GDP (1Q12)           | 6.4%   |
| CPI (May 2012)       | 2.9%   |
| T-bill rate (91-day) | 2.494% |

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## Weekly Valuation Table

| ISSUE                                      | Latest<br>(PhP)<br>(6/22/12) | Previous<br>(PhP)<br>(6/15/12) | change<br>(% weekly) | Market Cap.<br>(in PhP million) | 2012F<br>PER (x) | 2012F<br>Book Value<br>(PhP) | Price to<br>Book value<br>(x) |
|--|------------------------------|--------------------------------|----------------------|---------------------------------|------------------|------------------------------|-------------------------------|
| <b>BANKING</b>                             |                              |                                |                      |                                 |                  |                              |                               |
| Banco de Oro (BDO)                         | 63.50                        | 61.05                          | 4.01                 | 165,545                         | 13.56            | 38.7                         | 1.64                          |
| Bank of Phil. Islands (BPI)                | 73.00                        | 68.60                          | 6.41                 | 259,588                         | 17.31            | 26.6                         | 2.74                          |
| Metrobank (MBT)                            | 89.70                        | 88.45                          | 1.41                 | 189,357                         | 15.39            | 52.8                         | 1.70                          |
| Security Bank Corp. (SECB)                 | 138.80                       | 136.00                         | 2.06                 | 69,678                          | 13.86            | 63.25                        | 2.19                          |
| Phil. National Bank (PNB)                  | 71.00                        | 71.50                          | (0.70)               | 47,002                          | 14.66            | 57.9                         | 1.23                          |
| Total/Sector Average                       |                              |                                |                      | 731,169                         | 15.46            |                              | 2.07                          |
| <b>Industrials (Power &amp; Utilities)</b> |                              |                                |                      |                                 |                  |                              |                               |
| Aboitiz Power (AP)                         | 33.20                        | 31.80                          | 4.40                 | 244,319                         | 11.14            | 11.28                        | 2.94                          |
| Energy Development (EDC)                   | 5.97                         | 5.88                           | 1.53                 | 111,938                         | 11.23            | 2.28                         | 2.62                          |
| First Gen Corp. (FGEN)                     | 16.90                        | 16.16                          | 4.58                 | 56,835                          | 11.59            | 14.62                        | 1.16                          |
| Manila Electric (MER)                      | 241.00                       | 238.00                         | 1.26                 | 271,607                         | 16.40            | 68.21                        | 3.53                          |
| Manila Water (MWC)                         | 24.20                        | 23.00                          | 5.22                 | 48,666                          | 11.14            | 12.64                        | 1.91                          |
| Petron Corp. (PCOR)                        | 10.14                        | 10.00                          | 1.40                 | 95,063                          | 10.37            | 7.11                         | 1.43                          |
| Total/Sector Average                       |                              |                                |                      | 828,427                         | 12.82            |                              | 2.74                          |
| <b>Industrials (Food &amp; Consumers)</b>  |                              |                                |                      |                                 |                  |                              |                               |
| Jollibee Foods (JFC)                       | 104.00                       | 101.20                         | 2.77                 | 107,744                         | 28.26            | 21.21                        | 4.90                          |
| RFM Corp (RFM)                             | 2.92                         | 2.92                           | 0.00                 | 9,227                           | 16.84            | 2.02                         | 1.45                          |
| Universal Robina Corp. (URC)               | 61.00                        | 58.50                          | 4.27                 | 125,721                         | 17.73            | 23.1                         | 2.64                          |
| Total/Sector Average                       |                              |                                |                      | 242,692                         | 22.38            |                              | 3.60                          |
| <b>Industrials (Construction)</b>          |                              |                                |                      |                                 |                  |                              |                               |
| EEL Corp. (EEL)                            | 6.20                         | 6.06                           | 2.31                 | 6,423                           | 9.12             | 4.77                         | 1.30                          |
| Holcim Phils (HLCM)                        | 11.40                        | 11.10                          | 2.70                 | 73,553                          | 22.65            | 3.19                         | 3.57                          |
| Southeast Asia Cement (CMT)                | 1.75                         | 1.75                           | 0.00                 | 11,286                          | 11.54            | 1.13                         | 1.55                          |
| Total/Sector Average                       |                              |                                |                      | 91,262                          | 20.32            |                              | 3.16                          |
| <b>HOLDING FIRMS</b>                       |                              |                                |                      |                                 |                  |                              |                               |
| Aboitiz Equity Ventures (AEV)              | 47.50                        | 45.00                          | 5.56                 | 262,248                         | 12.03            | 16.78                        | 2.83                          |
| Alliance Global (AGI)                      | 11.92                        | 11.40                          | 4.56                 | 122,418                         | 11.63            | 8.04                         | 1.48                          |
| Ayala Corp. (AC)                           | 470.00                       | 447.00                         | 5.15                 | 271,660                         | 24.24            | 203.54                       | 2.31                          |
| DMCI Holdings (DMC)                        | 55.00                        | 54.90                          | 0.18                 | 146,025                         | 11.67            | 16.44                        | 3.35                          |
| JG Summit Holdings (JGS)                   | 33.55                        | 33.00                          | 1.67                 | 228,039                         | 11.92            | 22.76                        | 1.47                          |
| Metro Pacific Investments (MPI)            | 4.15                         | 3.92                           | 5.87                 | 102,061                         | 16.90            | 3.27                         | 1.27                          |
| San Miguel Corp. (SMC)                     | 115.60                       | 114.00                         | 1.40                 | 273,625                         | 9.36             | 109.8                        | 1.05                          |
| SM Investments Corp. (SM)                  | 702.00                       | 689.50                         | 1.81                 | 429,624                         | 18.18            | 282.34                       | 2.49                          |
| Total/Sector Average                       |                              |                                |                      | 1,835,700                       | 15.08            |                              | 2.10                          |
| <b>PROPERTY</b>                            |                              |                                |                      |                                 |                  |                              |                               |
| Ayala Land, Inc. (ALI)                     | 21.50                        | 21.90                          | (1.83)               | 279,995                         | 35.22            | 5.23                         | 4.11                          |
| Belle Corp. (BEL)                          | 4.77                         | 4.62                           | 3.25                 | 50,366                          | 100.73           | 1.57                         | 3.04                          |
| Filinvest Land, Inc. (FLI)                 | 1.23                         | 1.19                           | 3.36                 | 29,828                          | 9.16             | 2.08                         | 0.59                          |
| Megaworld Corp. (MEG)                      | 2.10                         | 1.97                           | 6.60                 | 53,840                          | 8.18             | 2.53                         | 0.83                          |
| Robinsons Land Corp. (RLC)                 | 16.96                        | 16.00                          | 6.00                 | 69,434                          | 14.68            | 11.56                        | 1.47                          |
| SM Prime Holdings (SMPH)                   | 13.00                        | 12.10                          | 7.44                 | 225,862                         | 22.62            | 4.96                         | 2.62                          |
| Vista Land & Lifescapes (VLL)              | 4.11                         | 3.97                           | 3.53                 | 34,931                          | 8.70             | 5.17                         | 0.79                          |
| Total/Sector Average                       |                              |                                |                      | 744,255                         | 29.67            |                              | 2.81                          |
| <b>SERVICES</b>                            |                              |                                |                      |                                 |                  |                              |                               |
| <b>Media</b>                               |                              |                                |                      |                                 |                  |                              |                               |
| ABS-CBN Corp (ABS)                         | 35.00                        | 34.90                          | 0.29                 | 26,775                          | 12.30            | 15.35                        | 2.28                          |
| GMA Network (GMA7)                         | 10.10                        | 10.00                          | 1.00                 | 33,946                          | 10.79            | 2.78                         | 3.63                          |
| Total/Sector Average                       |                              |                                |                      | 60,721                          | 11.45            |                              | 3.04                          |
| <b>Telecommunications</b>                  |                              |                                |                      |                                 |                  |                              |                               |
| Globe (GLO)                                | 1,060.00                     | 1,000.00                       | 6.00                 | 139,920                         | 12.98            | 376.97                       | 2.81                          |
| PLDT (TEL)                                 | 2,502.00                     | 2,360.00                       | 6.02                 | 467,874                         | 11.38            | 576.2                        | 4.34                          |
| Total/Sector Average                       |                              |                                |                      | 607,794                         | 11.75            |                              | 3.99                          |
| <b>Transportation</b>                      |                              |                                |                      |                                 |                  |                              |                               |
| Cebu Air (CEB)                             | 67.95                        | 62.00                          | 9.60                 | 41,382                          | 7.52             | 42.37                        | 1.60                          |
| International Container Svc. (ICT)         | 72.10                        | 68.00                          | 6.03                 | 139,874                         | 24.10            | 0.409                        | 4.01                          |
| Total/Sector Average                       |                              |                                |                      | 181,256                         | 20.31            |                              | 6.61                          |
| <b>MINING</b>                              |                              |                                |                      |                                 |                  |                              |                               |
| Atlas Consolidated (AT)                    | 17.64                        | 17.18                          | 2.68                 | 31,117                          | 6.75             | 11.69                        | 1.51                          |
| Lepanto Mining (LC)                        | 1.38                         | 1.38                           | 0.00                 | 35,858                          | 79.68            | 0.18                         | 7.67                          |
| Lepanto Mining B (LCB)                     | 1.45                         | 1.45                           | 0.00                 | 25,120                          | 55.82            | 0.18                         | 8.06                          |
| Philex Mining (PX)                         | 23.75                        | 22.50                          | 5.56                 | 117,064                         | 21.87            | 5.89                         | 4.03                          |
| Semirara Mining (SCC)                      | 211.00                       | 200.00                         | 5.50                 | 75,116                          | 7.97             | 61.41                        | 3.44                          |
| Total/Sector Average                       |                              |                                |                      | 284,274                         | 26.84            |                              | 4.41                          |
| Accord Capital Basket                      |                              |                                |                      | 5,607,550                       | 17.50            |                              | 2.74                          |