



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

# Market Daily

## INDICES:

	Latest	% chng
PSEi	6,948.97	(0.36)
All Shares	4,157.86	(0.32)
Financial	1,639.75	(0.05)
Holdings	6,226.06	(0.42)
Industrial	10,660.91	(0.32)
Mining/Oil	17,190.53	(0.96)
Property	2,617.88	0.11
Services	2,117.95	(0.68)

## WORLD MARKETS:

	Latest	% chng
Dow Jones	16,443.34	0.08
S&P 500	1,920.24	0.00
FTSE 100	6,636.16	(0.69)
DAX	9,130.04	(0.65)
CAC 40	4,207.14	(0.61)
Nikkei 225	15,159.79	(1.05)
Hang Seng	24,584.13	(0.26)
CSI 300	2,363.22	(0.26)
STI	3,320.23	(0.22)

## COMMODITIES (IN US\$):

	Latest	% chng
Crude Oil	97.66	0.29
Gold Spot	1,288.45	(0.03)
Copper	320.10	(0.11)

## CURRENCIES (IN PHP):

US\$	43.566
Euro	58.371
Japan Yen	0.425

## Market Summary and Outlook:

Worries over rising inflation and higher interest rates pulled the PSEi 25.03 points lower to 6,948.97 on Wednesday. Investors took to the sidelines as value traded fell to a lackluster PhP5.6bn with mining and oil, services and holding shares seeing most of the declines. Expect continued weakness in share prices and thin trading volumes as the market awaits the release of more corporate earnings amid the overhanging concerns mentioned above.

### Corporate News:

**Petron Corp (PCOR)**, the country's largest oil refiner, posted a 1H14 net income of PhP3.0bn, a 172% increase from a net of PhP1.1bn in the same period last year, on higher sales volume. Consolidated sales revenues for the period reached PhP258.2bn, up 18% year-on-year from PhP218.8bn last year, as sales volume from its Philippine and Malaysia operations grew 8% y-o-y to 43.1m barrels in the first half from 39.8m in 1H13. Philippine volumes went up 10% y-o-y to 25.1m barrels on the back of an expanding service station network and increased demand from retail and industrial sectors. Malaysia volumes also rose, up 6% y-o-y to 18m barrels, helped by its 550 service stations and LPG sales. PCOR is banking on the commissioning of Refinery Master Plan 2, a US\$2.0bn oil refinery expansion project in Bataan expected to commercially operate early 2015, to boost future growth. PCOR's 1H14 net income is already 57% of this year's projected net income. However, at 22x PER, it's above the sector's average multiple of 15x. A longer-term investment horizon may be a better strategy. **Buy on weakness.**

**Globe Telecom, Inc. (GLO)** posted a 1H14 core net income of PhP7.6bn, an 18% increase from PhP6.4bn recorded in the same period last year, on the back of solid service revenues. In the first six months,

consolidated service revenues rose 7% y-o-y to PhP47.7bn from PhP44.5bn in the same period last year, on the back of higher revenues from its mobile, broadband, fixed line voice and data services. On a quarterly basis, 2Q14 core net income jumped 26% to PhP4.2bn from PhP3.3bn in 1Q14 from revenues of 24.5bn, up 5% from PhP23.2bn in the previous quarter. The top line gains were partly due to an 18% increase in GLO's mobile subscriber base that reached 42.7m at end 1H14 from 36.1m at end 1H13. Improvement in the bottom line can be attributed to a 47% decline in depreciation charges in 1H14 as the bulk of these charges in connection with its modernization efforts were already booked last year. With 2Q14 EBITDA margin improving to 42% from 38% the previous quarter, GLO could be starting to see the benefits of its recent network upgrade. **Hold.**

### GLO Revenues (in P bn)

	1H13	1H14	% chng
Mobile	35.8	37.8	5
Broadband	5.1	5.8	14
Fixed Data	2.2	2.6	17
Fixed Voice	1.3	1.4	10

**Jollibee Foods Corp (JFC)** revealed plans to expand its foreign fast food operations by opening stores in Indonesia and Malaysia in the next two years. The company is planning a comeback in Indonesia after its initial entry back in the mid-90s was foiled by the regional financial crisis. JFC is looking to tie up with a local partner because of the country and the market's huge size. Like its ongoing operations in other ASEAN markets such as Vietnam, Singapore and Brunei, JFC hopes to replicate success in these two new and fast growing markets. Meanwhile, the company hinted "strong" income growth in 2Q14. **Hold.**

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## Petron Corp (PCOR) Price and relative strength



## Globe Telecom (GLO) Price and relative strength



Source: PSE

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### ECONOMIC INDICATORS:

GDP (4Q13)	5.7%
Inflation (June 2014)	4.4%
T-bill rate (91-day)	1.373%

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## Weekly Valuation Table

ISSUE	Latest (PhP) (8/1/14)	Previous (PhP) (7/25/14)	change (% weekly)	Market Cap. (in PhP million)	2014F PER (x)	Price to Book value (x)
<b>BANKING</b>						
Banco de Oro (BDO)	90.60	90.00	0.67	324,430	17.16	2.14
Bank of Phil. Islands (BPI)	95.80	95.20	0.63	376,146	18.87	3.21
Metrobank (MBT)	85.75	86.30	(0.64)	235,298	14.59	2.07
Security Bank Corp. (SECB)	121.00	121.90	(0.74)	72,939	11.61	1.98
Phil. National Bank (PNB)	89.50	91.00	(1.65)	97,215	14.06	1.53
Total/Sector Average				1,106,027	16.55	2.43
<b>Industrials (Power &amp; Utilities)</b>						
Aboitiz Power (AP)	37.00	37.50	(1.33)	272,268	10.17	3.27
Energy Development (EDC)	6.15	6.20	(0.81)	115,313	19.22	3.32
First Gen Corp. (FGEN)	22.05	22.50	(2.00)	74,163	14.79	1.28
Manila Electric (MER)	261.00	251.60	3.74	294,147	14.86	4.20
Manila Water (MWC)	26.40	26.90	(1.86)	53,130	9.98	1.88
Petron Corp. (PCOR)	12.38	12.48	(0.80)	116,064	22.05	1.28
Total/Sector Average				925,084	14.64	3.08
<b>Industrials (Food &amp; Consumers)</b>						
Jollibee Foods (JFC)	175.40	178.00	(1.46)	184,591	34.89	8.42
RFM Corp (RFM)	5.38	5.72	(5.94)	17,003	18.63	2.89
Universal Robina Corp. (URC)	162.00	161.20	0.50	353,403	32.89	7.16
Total/Sector Average				554,997	33.12	7.45
<b>Industrials (Construction)</b>						
EEl Corp. (EEI)	11.36	11.02	3.09	11,772	11.02	2.08
Holcim Phils (HLCM)	13.78	13.50	2.07	88,910	17.39	4.29
Lafarge Republic, Inc. (LRl)	9.85	9.73	1.23	57,364	11.35	2.78
Total/Sector Average				158,047	14.72	3.58
<b>HOLDING FIRMS</b>						
Aboitiz Equity Ventures (AEV)	55.95	55.95	0.00	308,950	14.95	3.32
Alliance Global (AGI)	26.65	26.85	(0.74)	273,690	15.32	2.63
Ayala Corp. (AC)	660.00	652.00	1.23	395,604	24.29	2.97
DMCl Holdings (DMC)	73.90	75.75	(2.44)	196,241	17.56	3.84
JG Summit Holdings (JGS)	52.85	53.80	(1.77)	370,859	20.05	2.12
Metro Pacific Investments (MPI)	5.03	5.01	0.40	130,911	15.04	1.42
San Miguel Corp. (SMC)	79.70	80.50	(0.99)	189,447	16.52	0.78
SM Investments Corp. (SM)	790.00	790.50	(0.06)	629,077	19.47	2.86
Total/Sector Average				2,494,780	18.70	2.64
<b>PROPERTY</b>						
Ayala Land, Inc. (ALI)	31.40	30.90	1.62	445,042	30.56	4.69
Belle Corp. (BEL)	4.99	4.96	0.60	52,691	24.66	2.87
Filinvest Land, Inc. (FLI)	1.46	1.54	(5.19)	35,405	8.06	0.75
Megaworld Corp. (MEG)	4.26	4.38	(2.74)	136,169	14.79	1.60
Robinsons Land Corp. (RLC)	23.25	22.95	1.31	95,181	16.78	1.97
SM Prime Holdings (SMPH)	15.40	15.82	(2.65)	428,391	26.81	3.56
Vista Land & Lifescapes (VLL)	5.86	5.95	(1.51)	50,037	8.36	1.07
Total/Sector Average				1,242,915	24.70	3.42
<b>SERVICES</b>						
<b>Media</b>						
ABS-CBN Corp (ABS)	37.65	37.80	(0.40)	32,281	18.02	1.37
GMA Network (GMA7)	7.38	7.33	0.68	24,804	14.18	3.55
Total/Sector Average				57,085	16.35	2.32
<b>Telecommunications</b>						
Globe (GLO)	1,746.00	1,760.00	(0.80)	231,170	18.28	5.86
PLDT (TEL)	3,100.00	3,062.00	1.24	669,910	16.81	4.82
Total/Sector Average				901,080	17.19	5.09
<b>Transportation</b>						
Cebu Air (CEB)	57.30	57.50	(0.35)	34,724	14.24	1.59
International Container Svc. (ICT)	113.30	112.20	0.98	230,441	27.51	4.33
Total/Sector Average				265,165	25.77	3.97
<b>Gaming</b>						
Bloomerry Resorts (BLOOM)	11.50	11.52	(0.17)	121,783	22.84	7.37
Travellers Int'l Hotel (RWM)	8.54	8.50	0.47	136,368	19.23	0.04
Total/Sector Average				258,151	20.93	3.50
<b>MINING</b>						
Atlas Consolidated (AT)	16.00	15.78	1.39	33,218	10.41	0.92
Philex Mining (PX)	12.50	12.42	0.64	61,713	123.43	2.77
Semirara Mining (SCC)	352.40	355.40	(0.84)	125,560	17.09	6.98
Total/Sector Average				220,490	45.85	4.89
Accord Capital Basket				7,925,671	21.28	3.64