

Key Philippine Indices

	Close	Change	% Ch
PSEi	7,689.91	+72.61	+0.95
All Shares	4,465.28	+38.12	+0.86
Financials	1,790.12	+4.13	+0.23
Industrial	12,691.84	+132.04	+1.05
Holding Firms	6,819.64	+97.95	+1.46
Services	2,156.11	+1.32	+0.06
Mining and Oil	15,754.19	-148.50	-0.93
Property	2,992.90	+45.59	+1.55

Market Statistics

	Value
Volume Turnover (Php m)	12,186
Net Foreign Transactions (Php m)	243
Gainers	93
Losers	89
Unchanged	52
World Indices	

	Close	Change	% Ch
Dow Jones	17,164.95	-251.90	-1.45
S&P500	1,994.99	-26.26	-1.30
Nasdaq	4,635.24	-48.17	-1.03
FTSE100	6,749.40	-61.20	-0.90
Hang Seng	24,507.05	-88.80	-0.36
Nikkei225	17,674.39	+68.17	+0.39
Shanghai	3,210.36	-51.94	-1.59
Straits	3,391.20	-27.85	-0.81
MSCI PH EPHE	40.83	-0.17	-0.41

Commodities

	Close	Change	% Ch
Gold (t oz.)	1,281.10	+26.50	+2.11
Copper (lbs)	247.55	+2.40	+0.98
Nickel (lbs)	6.84	+0.10	+1.50
Crude Oil (WTI)	47.20	+2.67	+6.00
US\$/Php	44.11	+0.03	+0.06
PLDT US (\$)	66.70	+0.08	+0.12

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Action Idea

Consumer

Del Monte Pacific Ltd. (DMPL: PM) (Fair Value: Php26.50) DMPL raising Php6.6b from rights offer

DMPL will conduct a stock rights offer (SRO), offering 1 share for every 2.0284 shares at a price of Php10.60/sh or a total of 641m shares. Offer period will commence from February 12 until March 2. Ex-date is set on February 4. The net proceeds are expected to be \$149.9m (Php6.6b). All of the net proceeds will be applied towards repayment of the bridging facility of up to \$165m from BPI that DMPL obtained to partially finance the acquisition of the consumer food business which was completed last February 2014. Assuming that the 641m rights shares are fully taken up, the enlarged share capital of DMPL will increase to 1.944b shares (excluding treasury shares). DMPL is expected to incur losses for fiscal year 2015, but expected to book profits by 2016.

Maintain – Buy.

US/Global Headlines

US stocks fall as GDP slowdown overshadows energy rally. U.S. stocks fell, sending the Standard & Poor's 500 Index to its biggest monthly decline in a year, as weaker-than-forecast economic growth overshadowed a rally in energy shares sparked by a surge in the price of crude. The S&P 500 slid 1.3% to 1,994.99 at 4 p.m. in New York, extending its monthly loss to 3.1%. The index tumbled 2.8% in the week, the most since Dec. 12. The Dow Jones dropped 251.90 points, or 1.5%, to 17,164.95. Gross domestic product grew at a 2.6% annualized rate after a 5% gain in the third quarter that was the fastest since 2003, Commerce Department figures showed Thursday in Washington. The median forecast of 85 economists surveyed by Bloomberg called for a 3% advance.—Bloomberg

Philippine Market Summary

PSEi recovers to close at new high. PSEi bounces back as it gained 72pts or 0.95% to finish strongly at a record high of 7,689. Optimism prevailed in the market after a very strong 4Q 2014 GDP was announced. A rebound in US stocks amid fewer jobless claims and strong corporate earnings added to the positive sentiment. Investors are expecting higher earnings as companies report their 2014 full-year performance. Top gainers were SM (+2.09% to Php929.00), ALI (+2.56% to Php36.10), JGS (+2.42% to Php65.50) and JFC (+3.57% to Php232.00). Daily turnover amounted to Php12.1b with net foreign buying of Php243m.

Philippine Economic/Industry News

- Philippine growth seen topping 6.1% this year
- JP Morgan hikes Philippine growth forecast

Philippine Corporate News

- MPI's MNTC set to take over SCTEX
- EW firms up insurance venture, plans sale of new shares to stockholders
- TEL, European data center operator tie up for Ethernet service in UK
- Lending business fuels surge in BPI's 4Q2014 net income
- MWC forms joint venture for leak reduction in Zamboanga
- CPG plans sale of dollar-denominated debt
- ICT's Portland unit affected by work stoppages
- EDC seeking to dispatch solar power to Ilocos Norte grid

Sources: Bloomberg, PSE disclosure, and various media sources

Philippine Economic/Industry News

Philippine growth seen topping 6.1% this year—Philstar

Philippine economic growth would likely accelerate this year from the strong 6.1% expansion in 2014, fueled by poll-related spending in the run-up to the 2016 national elections, the research arm of Metropolitan Bank and Trust Co. said. Metrobank Research has forecast gross domestic product, a measure of economic output, to grow 6.4% this year, below the government's seven to eight% target.

JP Morgan hikes Philippine growth forecast—Philstar

JP Morgan sees PH economy to grow 6.4% this year than earlier forecast of 5.4% because of better-than-expected 4th quarter GDP and material monetary policy flexibility amid easing inflation and softness in oil prices.

Philippine Corporate News

MPI's MNTC set to take over SCTEX—Philstar

The tollway unit of infrastructure giant Metro Pacific Investments Corp. (MPIC) is set to finally take over the 94-kilometer Subic-Clark-Tarlac (SCTEX) expressway within the month after interested companies led by diversified conglomerate San Miguel Corp. (SMC) backed out from a price challenge. Rodrigo Franco, president of MPIC's Manila North Tollways Corp. (MNTC), said the company is looking at taking over the operations and maintenance of SCTEX later this month after the Bases Conversion and Development Authority (BCDA) did not receive any proposal for the "Swiss Challenge" of the toll road.

EW firms up insurance venture, plans sale of new shares to stockholders—Interaksyon

East West Banking Corporation is venturing into the non-life insurance business, and plans to raise capital from the sale of shares to existing stockholders. In a disclosure to the Philippine Stock Exchange, EastWest said its board in a meeting yesterday approved the creation of a subsidiary for non-life products. In the same disclosure, EastWest said its board also cleared a rights offering of common shares. The issue size, entitlement ratio, offer prices, record date and appointment of agents that will implement the issuance have yet to be finalized.

TEL, European data center operator tie up for Ethernet service in UK—Interaksyon

Philippine Long Distance Telephone Company (PLDT) has launched an additional point of presence (PoP) in the United Kingdom. In a statement, PLDT said it partnered with Telehouse Europe, one of the world's largest data center operators for the additional PoP in UK. This allows PLDT to offer pan-global connectivity from the Philippines to the UK, and with this deal signed through PLDT UK, the company can provide clients with an Ethernet International Private Leased Circuit (E/IPLC) service from the UK to the rest of the world, as part of its Global Managed Ethernet service offerings.

Lending business fuels surge in BPI's 4Q2014 net income—Interaksyon

In a statement, the Ayala-led lender said its earned P5.2 billion in the fourth quarter of last year, up 72% from the P3 billion in the same three months of 2013. With the improvement, BPI's board approved a cash dividend of P0.90 a share. At end-2014, BPI had ample buffer against financial difficulties, with its capital adequacy ratio of 14.2% and Tier 1 ratio of 13.3% both above the minimum required by the Bangko Sentral ng Pilipinas (BSP). This after BPI raised P25 billion from a stock rights issue a year ago.

MWC forms joint venture for leak reduction in Zamboanga—Interaksyon

Manila Water Company Inc has bagged the contract to help the water distributor of Zamboanga City address leaks over the next decade. Manila Water said it signed a joint venture with Zamboanga City Water District (ZCWD) for a leak reduction project. Under the 10-year agreement, Manila Water shall own 70% of the joint venture company, leaving 30% in the hands of ZCWD.

CPG plans sale of dollar-denominated debt—Interaksyon

Century Properties Group Inc has approved a plan to raise money from the sale of dollar-denominated debt. Century Properties cleared the offering of \$150 million in bond, which would be listed on the Singapore Exchange. The timing, size and terms of the issuance would depend on a number of factors, including the prevailing interest rates, the company's actual requirement, market liquidity and the state of financial markets both here and abroad.

ICT's Portland unit affected by work stoppages—Philstar

A unit of International Container Terminal Services Inc. (ICTSI) of gaming and port mogul Enrique Razon has been affected by work stoppages and slowdowns in Portland, Oregon. A company statement said operations of ICTSI Oregon Inc. at the Port of Portland's Terminal 6 has been hampered by work stoppages and slowdowns by members of the International Longshore and Warehouse Union (ILWU). ICTSI said ILWU engaged in approximately 36 work stoppages and slowdowns of various types and for varying durations during the Christmas holidays. Last week, ILWU ordered a 12-hour work stoppage commencing at 7 a.m. and some members worked during the morning but walked off the job without notice at 1:15 p.m.

EDC seeking to dispatch solar power to Ilocos Norte grid—BusinessWorld

ENERGY Development Corp. (EDC) has sought regulatory approval to spend P17.5 million building a facility that will allow its 4.1-megawatt (MW) Burgos solar power venture to dispatch power to an electricity distributor in Ilocos Norte. EDC wants to develop, own and operate dedicated point-to-point facilities to connect to the transmission system of the Ilocos Norte Electric Cooperative, Inc. (INEC). The Lopez-led company is developing the 4.1-MW Burgos Solar Project in Barangay Saotit in the municipality of Burgos. EDC is also the owner of the 150-MW Burgos wind project in Ilocos Norte -- one of the largest wind farms in the country -- due for commercial operations early this year.

Unicapital Investment Research
Earnings Scorecard
2 February 2015

Banks	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
AUB	272	-52%	670	153%	427	134%
BDO	5,471	-46%	5,579	33%	5,700	41%
BPI	3,603	-57%	4,427	23%	4,770	28%
CHIB	1,162	-35%	1,038	-10%	1,144	19%
EW	455	-38%	591	10%	600	31%
MBT	5,686	-50%	3,414	-50%	4,000	57%
PBB	112	-81%	146	-27%	317	75%
PNB	1,342	-53%	1,811	-25%	547	-25%
RCB	1,329	-25%	691	-51%	989	-36%
SECB	1,427	17%	2,173	350%	2,828	14%
UBP	1,540	-62%	1,660	-24%	1,832	60%
Wtd Avg		-45%		26%		34%

Property	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
ALI	4,194	32%	2,860	17%	3,734	25%
BEL	310	-60%	1,350	-17%	456	-56%
CPG	513	3%	545	-2%	534	1%
DD	21	115%	63	1640%	254	1,536%
FLI	1,066	14%	900	14%	925	30%
GERI	103	27%	97	46%	120	41%
HOUSE	934	30%	874	10%	1,023	74%
MEG	2,648	49%	2,172	-11%	2,590	13%
RLC	1,032	-13%	1,205	-3%	1,643	35%
ROCK	254	18%	334	-1%	398	8%
SMPH	4,578	11%	5,219	12%	3,700	12%
VLL	1,490	11%	1,310	13%	1,413	16%
Wtd Avg		20%		25%		35%

Infrastructure	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
EEL	167	-53%	223	25%	153	-21%
HLCM	1,670	17%	1,650	2%	722	4%
LRI	1,075	4%	1,071	-19%	688	7%
MWIDE	328	2%	228	-46%	218	-6%
Wtd Avg		7%		-3%		2%

Transport	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
ICT	2,277	29%	2,214	15%	1,604	-23%
CEB	164	-86%	3,013	+1068%	-1,099	-46%
Wtd Avg		8%		210%		-27%

Gaming	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
BLOOM	1,461	-238%	847	3630%	992	501%
LR	133	80%	169	494%	226	-
RWM	1,717	73%	1,163	-11%	1,132	-11%
MCP	(970)	-	(1,430)	-	-1,790	-162%
Wtd Avg		-30%		1,510%		167%

Telcos	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
GLO	3,400	10%	4,232	26%	3,989	29%
TEL	9,800	2%	10,000	2%	8,800	-6%
Wtd Avg		4%		9%		3%

Utilities	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
AP	4,389	-3%	4,235	-33%	4,800	-3%
EDC	2,378	-12%	3,022	101%	2,400	50%
FGEN	1,866	-23%	2,627	177%	2,842	46%
FPH	1,029	-42%	1,505	1209%	2,204	40%
MER	4,008	0%	5,632	4%	4,660	12%
MWC	1,431	7%	1,729	10%	1,391	1%
PCOR	2,261	8%	877	-	180	-94%
PNX	80	-32%	321	27%	105	-38%
SCC	2,021	100%	629	-76%	3,910	-27%
TA	109	-34%	108	-19%	-152	-
Wtd Avg		6%		59%		3%

Conglomerates	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
AC	5,471	21%	7,360	48%	5,969	35%
AEV	6,098	-24%	2,600	-31%	5,200	9%
AGI	3,566	-10%	3,934	-8%	3,941	23%
COSCO	1,278	-59%	684	153%	2,819	27%
DMC	2,590	39%	2,540	-23%	2,410	-17%
FDC	701	-27%	2,199	-1%	2,100	19%
GTCAP	8,600	30%	2,227	7%	2,381	46%
JGS	5,330	+12%	4,990	58%	4,700	54%
LPZ	877	-12%	938	122%	1,339	42%
LTG	1,611	-61%	549	-80%	340	-48%
SMC	2,154	-49%	9,846	-	11,200	-27%
MPI	2,334	32%	2,266	7%	1,862	9%
SM	6,239	+11%	5,761	76%	6,200	19%
Wtd Avg		7%		11%		19%

Mining	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
AT	393	-42%	596	674%	148	-
MARC	50	-292%	95	-71%	531	-22%
NIKL	593	493%	2,707	405%	4,460	304%
PX	278	110%	280	-59%	342	-48%
Wtd Avg		296%		310%		169%

Consumer	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
DNL	377	20%	422	24%	494	28%
CIC	215	38%	131	59%	149	18%
CNPF	320	7%	398	-	509	-
EMP	1,716	19%	1,344	-22%	1,500	15%
JFC	1,078	21%	1,390	15%	1,172	15%
PGOLD	943	-2%	713	-12%	1,351	55%
RRHI	561	6%	735	30%	744	6%
PF	870	24%	830	-17%	950	1%
PIP	136	-50%	344	-11%	139	14%
RFM	166	8%	259	11%	152	10%
URC	2,860	26%	3,306	6%	2,387	-21%
Wtd Avg		18%		9%		4%

Media	1Q2014	% Ch	2Q2014	% Ch	3Q2014	% Ch
ABS	538	7%	457	-42%	545	9%
GMA7	326	-46%	253	-52%	422	20%
Wtd Avg		-13%		-46%		13%

Unicapital Investment Research
Calendar of Key Events
2 February 2015

Calendar of Key Events

Monday	Tuesday	Wednesday	Thursday	Friday
2-February-2015	3-February-2015	4-February-2015	5-February-2015	6-February-2015
US: Personal Income US: ISM Mfg. Index MFC: Listing Date of FOO shares	US: Factory Orders VMC: ASM	US: ADP Employment Report US: ISM Non-Mfg. DMPL: SRO Ex-date (Php10.60 per Rights Share; 1 Rights sh. for every 2.0284 held sh.)	US: Jobless Claims PH: Inflation GLO: Analysts' Briefing BEL: Ex-cash (Php0.18/sh)	US: Employment PH: Foreign Reserves PBB: SSM RPL: SSM
9-February-2015	10-February-2015	11-February-2015	12-February-2015	13-February-2015
	PH: Industrial Output PH: Exports	TFC: ASM	US: Jobless Claims US: Retail Sales PH: BSP Interest Rates (SDA and RRP) DMPL: SRO Start (Php10.60 per Rights Share; 1 Rights sh. for every 2.0284 held sh.)	US: Consumer Sentiment PPREF: Ex-cash (Php2.382/sh)
16-February-2015	17-February-2015	18-February-2015	19-February-2015	20-February-2015
PH: OFW Remittances ALI: Analysts' Briefing	PRC: Ex-cash (Php0.08/sh)	US: Housing Starts US: Industrial Production US: FOMC Minutes PH: Balance of Payments ROX: ASM	US: Jobless Claims US: PMI Mfg.	
23-February-2015	24-February-2015	25-February-2015	26-February-2015	27-February-2015
US: Existing Home Sales	PH: Imports PH: Trade Balance SMC2A: Ex-cash (Php1.40625) SMC2B: Ex-cash (Php1.4296875) SMC2C: Ex-cash (Php1.50) LR: Ex-cash (Php0.04)	US: New Home Sales RCI: ASM	US: CPI US: Durable Goods Orders US: Jobless Claims CAT: ASM FNI: ASM	US: GDP US: Consumer Sentiment PH: Money Supply PH: Bank Lending
2-March-2015	3-March-2015	4-March-2015	5-March-2015	6-March-2015
US: Personal Income US: ISM Mfg DMPL: SRO End (Php10.60 per Rights Share; 1 Rights sh. for every 2.0284 held sh.)		US: ADP Employment Report US: ISM Non-Mfg PH: Budget Balance	US: Jobless Claims US: Factory Orders PH: CPI	US: Employment PH: Foreign Reserves

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