



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

|                         |                   |         |
|-------------------------|-------------------|---------|
| PSEi Index 01 Sep 2009: | 2,852.93          | - 31.25 |
| Value T/O, net          | Php 2,460 million |         |
| 52-week High            | 2,906.56          |         |
| Low                     | 1,684.75          |         |
| Foreign Buying:         | Php 1,322 million |         |
| Foreign Selling:        | Php 1,372 million |         |

### Regional performance

|            |             |          |
|------------|-------------|----------|
| Dow Jones  | : 9,310.60  | - 185.68 |
| FTSE 100   | : 4,819.70  | - 89.20  |
| Nikkei 225 | : 10,530.06 | + 37.53  |

### Trading snapshot

| Index Movers    | Points |
|-----------------|--------|
| PLDT            | -14.1  |
| Ayala Land      | -4.3   |
| Megaworld Corp. | -2.9   |
| SM Prime        | -2.7   |
| Philex Mining   | +2.0   |

  

| Index Out-performers | Up   |
|----------------------|------|
| First Gen            | 8.1% |
| RCBC                 | 2.9% |
| Philex Mining        | 2.5% |
| ABS-CBN              | 1.6% |
| Aboitiz Power        | 1.6% |

  

| Index Under-performers | Down |
|------------------------|------|
| Megaworld Corp.        | 4.9% |
| Filinvest Land         | 3.8% |
| First Phil. Holdings   | 3.6% |
| Lepanto Consolidated B | 3.6% |
| SM Prime               | 2.4% |

### Calendar

|        |                               |
|--------|-------------------------------|
| Sep 04 | Aug '09 Consumer Price Index  |
| Sep 07 | EDC 1H'09 results briefing    |
| Sep 07 | Aug '09 Gross Int'l Reserves  |
| Sep 07 | Jul '09 Producer Price Survey |

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## HEADLINES

### Wall Street suffers 2% drop on anxiety over banks

- For the third trading day in a row, U.S. stocks fell on Tuesday (Sep 1), on concerns over the health of financials. The KBW bank index dropped 5.8%. The CBOE Volatility Index or VIX shot up 12.1% to 29.15, the highest level since early July. Investors played down the first sign of growth in manufacturing in 19 months, as well as the highest level of pending home sales since June 2007. Despite a 17% rise in its monthly sales, Ford was down 4.7% to \$7.24. Meanwhile, eBay Inc shares dropped after it announced its plan to sell a majority stake in its online phone unit Skype for \$1.9 billion to private investors.

### Consumer Loans Up by 3.3% in Q2

- As of end-June 2009, the consumer loans (CLs) of universal/commercial banks and thrift banks reached P398.6B, up by 3.3% from last quarter's P385.8B and by 13.1% from a year. Similarly, the ratio of total CLs to total loan portfolio, exclusive of interbank loans rose to 15.6% from last quarter's 15.2% and year ago's 15.4% ratio. By type of CLs, residential real estate loans accounted for the bulk at 41.4% (or P164.8B). Credit Card Receivables came second with a share of 27.6% (or P110.0B). Auto Loans and Other Consumer Loans followed with shares of 21.6% (or P86.1B) and 9.4% (or P37.7B), respectively.

### SMC posts P5.3B 1H'09 recurring net income (SMC A/B; P64.50/P65.00)

- San Miguel Corporation announced an operating income of P8.7B (+6% year-on-year) for the first half of 2009. The majority of SMC's businesses showed sustained revenue growth despite a general slowdown in the economy, bringing consolidated net sales to P84.9B this period (+7% yoy). Net financing charges reached P232M, compared to net financing income of P3.3B which included foreign exchange translation gains last year. Consolidated net income of P55.6B is substantially higher than last year's P19.7B. Excluding the one-off items, recurring net income for the current period is P5.3B (-3% yoy). One-off items include a P50.7B gain from the sale of SMC's 43.25% stake in domestic beer which was used to prepay the debt of \$923M or P44B, and the gain from discontinued operations of J. Boag in 2008 of P5.7B.

### PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.

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