



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 04 Nov 2009:	2,907.63	- 0.61
Value T/O, net	Php 2,573 million	
52-week High	2,971.32	
Low	1,684.75	
Foreign Buying:	Php 1,266 million	
Foreign Selling:	Php 1,208 million	

### Regional performance

Dow Jones	: 9,802.14	+ 30.23
FTSE 100	: 5,107.89	+ 70.68
Nikkei 225	: 9,844.31	+ 41.36

### Trading snapshot

Index Movers	Points
PLDT	-6.7
First Phil. Holdings	+4.2
Manila Electric Co.	+3.8
Energy Dev't Corp.	-3.3
SM Prime	+3.3

Index Out-performers	Up
First Phil. Holdings	9.0%
Aboitiz Equity	4.9%
SM Prime	3.1%
Aboitiz Power	2.6%
Manila Electric Co.	1.9%

Index Under-performers	Down
Security Bank	2.8%
Metrobank	2.4%
Energy Dev't Corp.	2.4%
Alliance Global	2.4%
Lepanto Consolidated A	2.1%

### Calendar

Nov 05	Oct '09 CPI/ Inflation Rate
Nov 05	GMA7/ SMC 3Q'09 Results Briefings
Nov 05	ICTSI 3Q'09 Results Teleconference
Nov 05	Monetary Policy Stance

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## HEADLINES

### Wall Street rally fizzles on lack of strong drivers

- U.S. stocks opened higher on Wednesday (Nov 4) after a private-sector report showed signs of improvement in the labor market and a strong reading on the U.S. services sector from the Institute for Supply Management. But the market buckled under selling pressure in the last half-hour of trading, after the Federal Reserve affirmed low interest rates, but gave few new reasons to boost holdings of US assets. Healthcare stocks got a boost from: (i) Wellcare Health Plans Inc (+6.7%) after it posted a better-than-expected quarterly profit even as membership fell about 8% yoy; and (ii) hopes that healthcare reforms may be slowed after Republicans scored some key election victories.

### World Bank upgrades 2009 growth outlook for RP to 1.4%

- The World Bank has upgraded its growth forecasts for the Philippines from a 0.5% contraction to 1.4%, saying sustained remittance inflows, improved global recovery prospects, and increased public spending would allow targets to be met. The upgraded outlook supports the official growth goal of 0.8-1.8% for 2009.

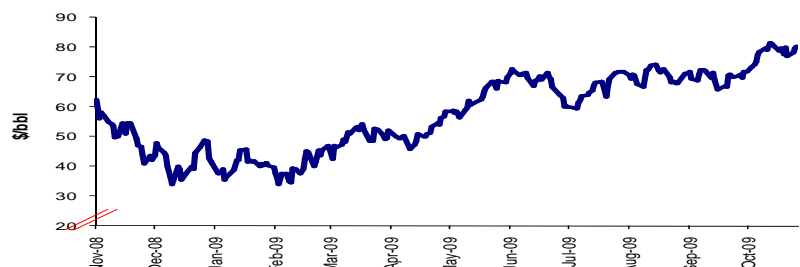
### SMC reviewing Petron buy-in option (SMC A/B;P64.50/P65.50;PCOR; P5.00)

- San Miguel Corp. is evaluating the viability of exercising its option to acquire a 50.1% stake in Petron Corp., in light of the restrictions imposed on petroleum firms. San Miguel paid \$10 million to gain an exclusive option to buy a 50.1% stake in Petron from Britain's Ashmore Group. It has until December 2010 to take up that option.

### Private firm proposes alternative to Laiban Dam

- Private firm Sierra Madre Water Corp. has proposed to build a 2,300 million liters per day (MLD) bulk water facility along the Sierra Madre mountain range at a cost of only \$225 million. Rolando M. Zosa, Sierra Madre president, said that his company can deliver the first 350 MLD within 24 months from contract date, and the balance 12 months after. The first phase of the project will cost about \$170 million. Mr. Zosa added no government guarantee is required, and there will also be no "take-or-pay" obligation. Sierra Madre Water is 70% owned by Mr. Zosa, with the balance held by IDHI Ports and Shipping. By contrast, San Miguel Corp.'s proposed Laiban Dam project in Rizal has a projected capacity of 1,900 MLD at a cost of \$1B and will take five years before full operations. The present supply for Metro Manila is 4,000 MLD.

### Nymex Crude 1-Yr Price Chart



Source: Bloomberg

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