



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

|                         |                   |        |
|-------------------------|-------------------|--------|
| PSEi Index 14 Apr 2010: | 3,299.69          | - 0.21 |
| Value T/O, net          | Php 2,225 million |        |
| 52-week High            | 3,312.95          |        |
| Low                     | 2,015.23          |        |
| Foreign Buying:         | Php 1,517 million |        |
| Foreign Selling:        | Php 1,470 million |        |

### Regional performance

|            |             |          |
|------------|-------------|----------|
| Dow Jones  | : 11,123.11 | + 103.69 |
| FTSE 100   | : 5,796.25  | + 34.59  |
| Nikkei 225 | : 11,201.90 | + 43.67  |

### Trading snapshot

| Index Movers     | Points |
|------------------|--------|
| Aboitiz Equity   | +9.65  |
| Ayala Land       | -8.87  |
| BPI              | -2.22  |
| Universal Robina | +1.76  |
| Ayala Corp.      | -1.40  |

| Index Out-performers   | Up    |
|------------------------|-------|
| Aboitiz Equity         | 8.20% |
| Lepanto Consolidated A | 4.65% |
| Universal Robina       | 3.03% |
| Aboitiz Power          | 1.79% |
| Manila Water           | 1.61% |

| Index Under-performers | Down  |
|------------------------|-------|
| Ayala Land             | 3.57% |
| Filinvest Land         | 1.92% |
| Banco de Oro           | 1.15% |
| BPI                    | 1.08% |
| Security Bank          | 0.84% |

### Calendar

|        |                             |
|--------|-----------------------------|
| Apr 15 | BPI/ ICTSI/ URC/ RLC ASM    |
| Apr 16 | Ayala Corp. ASM             |
| Apr 16 | Vista Land Results Briefing |
| Apr 16 | Feb '10 OF Remittances      |

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## HEADLINES

### Strong Intel, JP Morgan earnings results lift Wall Street

- Intel Corp (+3.3%) and JPMorgan Chase & Co (+4%) led the market's rise after both posted better-than-expected results on Wednesday (Apr 14). Banks, including Citigroup Inc (+6.7%) and Bank of America Corp (+3.9%) rose. March retail sales growth (+1.6%), which outpaced expectations for a 1.2% increase, added to the positive sentiment. Energy stocks advanced after a surprise fall in U.S. crude inventories, sending May crude futures up 2.3% to \$85.99 per barrel. After the market's close, restaurant chain owner Yum Brands Inc (+2.9%) reported adjusted first-quarter earnings that beat expectations.

### Foreign Direct Investments (FDI) post net inflows in Jan 2010

- Foreign direct investments (FDI) posted a net inflow of US\$101M in Jan 2010, lower than the FDI flows of US\$393M a year ago. Non-residents' intercompany loan availments and reinvested earnings contributed to the inflows for January, indicating a continued favorable outlook for the global economy during the year, even as foreign investors maintained a cautious stance with the onset of the electoral exercise to be held in May 2010. On the other hand, equity capital recorded a net outflow of US\$27M, from the US\$417M net inflow posted in Jan 2009. The modest gross inflows during the month amounting to US\$17M came largely from the U.S. and were directed to the manufacturing, real estate, and financial intermediation sectors. It may be noted that the significantly large inflows recorded in Jan 2009 resulted from the privatization of a local power corporation.

### Ayala Land eyeing \$300M from REITs in 2H'10 (ALI; P13.50)

- Ayala Land, Inc. (ALI) plans to raise a minimum US\$300M in 2H'10 from real estate investment trusts (REIT), with JP Morgan and BPI Capital Corp. as financial advisers. ALI may also raise less than P5B (\$110M) this year from peso bonds. The firm had P15.5B in cash at the end of 2009 and P12B in untapped short-term credit lines. ALI's planned capital expenditures for the year is at P27.17B. Ayala Land expects its net income in 1Q'10 to surpass profits of both 1Q'09 and 4Q'09, and aims to double net income to P8B by 2014 through new projects and the expansion of existing ones.

### SM Investments targets at least 10% growth in 2010 net income (SM; P397.50)

- SM Investments Corp. (SMIC) expects net income to grow by at least 10% this year on strong growth in its property and retail businesses, on the back of continued remittances inflow from overseas Filipinos. Its property arm SM Development Corp. may raise P5B to P10B in a debt issue later this year. The funds would be used to increase land holdings.

### Metro Pacific shareholder in \$107-M share sale (MPI; P3.10)

- The Beneficial Trust Fund of Philippine Long Distance Telephone Co. (PLDT), a shareholder Metro Pacific Investments Corporation, is selling 1.1B shares at P3 each, with an upsize option to issue up to 500M additional shares (approximately P4.8B or US\$107M grand total). With the full upsize option the issue would represent 7.95% of Metro's issued capital.

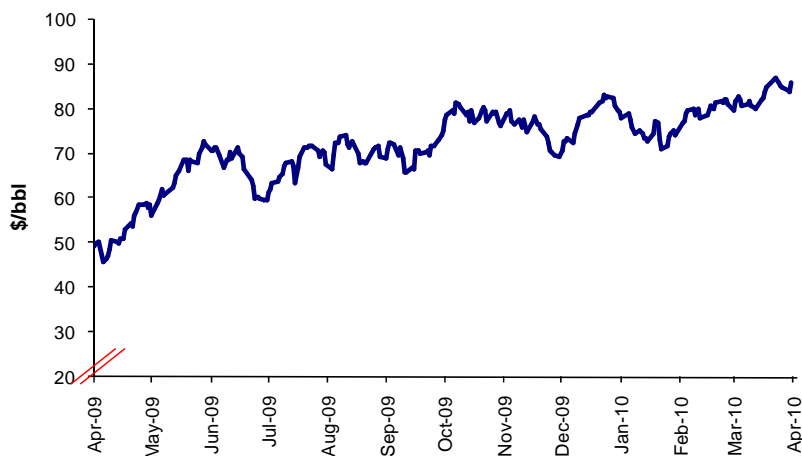
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**San Miguel posts P57.8B 2009 net income (SMC A/B; P74.50/P74.50)**

- San Miguel Corporation (SMC) reported full-year consolidated net income of P57.8B (+199% yoy) for 2009, including a one-time gain from the sale of San Miguel’s 43.25% stake in San Miguel Brewery, Inc. to Kirin Holdings. Consolidated sales reached P174.2B (+4% yoy), while consolidated operating income rose 33% yoy to P19.7B.
- San Miguel Brewery earned P10.03B (versus P10.04B in 2008. Ginebra San Miguel, Inc. reversed 2008’s P279M loss to post income of P701M last year. The food group posted a consolidated revenue of P77B (+5% yoy), while operating income rose 124% to P4.53B. San Miguel Yamamura Packaging Group recorded net sales of P19.696B (-1% yoy), while operating income rose 18% to P1.62B.
- SMC also disclosed that it will ask its shareholders in its general meeting on May 31 to (i) waive their pre-emptive rights and allow the board to reduce the firm’s holdings in core businesses in support of diversification plans; and (ii) declassify the firm’s "A" and "B" shares.

**Nymex Crude 1-Yr Price Chart**



Source: Bloomberg