



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

| | | |
|-------------------------|-------------------|---------|
| PSEi Index 27 Apr 2010: | 3,307.71 | + 15.12 |
| Value T/O, net | Php 2,332 million | |
| 52-week High | 3,322.90 | |
| Low | 2,057.67 | |
| Foreign Buying: | Php 1,492 million | |
| Foreign Selling: | Php 1,322 million | |

Regional performance

| | | |
|------------|-------------|----------|
| Dow Jones | : 10,991.99 | - 213.04 |
| FTSE 100 | : 5,603.52 | - 150.33 |
| Nikkei 225 | : 11,212.66 | + 46.87 |

Trading snapshot

| Index Movers | Points |
|--------------------|--------|
| PLDT | +9.53 |
| Metrobank | +4.95 |
| Ayala Land | -4.44 |
| Aboitiz Equity | -3.86 |
| Energy Dev't Corp. | +3.35 |

| Index Out-performers | Up |
|----------------------|-------|
| DMCI Holdings | 6.56% |
| Metrobank | 3.88% |
| Robinsons Land | 3.23% |
| First Gen | 2.50% |
| Banco de Oro | 2.38% |

| Index Under-performers | Down |
|------------------------|-------|
| Aboitiz Equity | 3.03% |
| SM Prime Holdings | 2.44% |
| Lepanto Consolidated A | 2.22% |
| Ayala Land | 1.75% |
| Jollibee Foods Corp. | 1.74% |

Calendar

| | |
|--------|--------------------------------|
| Apr 28 | RPL/ SM/ MBT ASM |
| Apr 29 | CHI/ SINO/ BEL/ CPVD/ FMIC ASM |
| Apr 29 | Meralco 1Q Results Briefing |
| Apr 30 | Filinvest Land ASM |

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HEADLINES

Wall Street hit by sovereign downgrades, financial reform jitters

- Markets tumbled on Tuesday (Apr 27) after Standard and Poor's slashed the sovereign ratings of Greece and Portugal, and Senators grilled Goldman Sachs execs in Washington. The sell-off was broad-based, with the materials, energy, financials and consumer discretionary sectors each declining around 3%. The CBOE Volatility Index, Wall Street's fear gauge, surged 30.57% to close at 22.81. Among the handful of gainers was 3M Co (+0.6%), which posted better-than-expected quarterly profits and raised its full-year outlook.

Philippine 1Q2010 fiscal deficit at P134.2B

- The National Government's fiscal deficit for the period Jan-Mar 2010 reached P134.2B, higher than the programmed ceiling of P110.9B. While Revenues fell P0.5B short of target, Expenditures totaled P400B, exceeding the ceiling for the period by P22.8B, as the government rebuilt facilities destroyed by storms late last year, and also undertook road rehabilitation and nautical highway projects. Finance Secretary Margarito Teves said that at present, there is no plan to revise the P293.2B deficit target for the year, adding that the government can raise up to P12B from the sale of some state assets in the first half.

February 2010 total trade stands at US\$7.473B

- Combined import and export merchandise trade for Feb 2010 improved by 34.3% yoy to US\$7.473B, as both total merchandise imports (+27.6% yoy to US\$3.903B) and exports (+42.4% to \$3.570B) grew at double-digit rates. The balance of trade in goods (BOT-G) in Feb 2010 recorded a deficit of US\$333.00M, lower than last year's deficit of US\$552.00 M. Similarly, on a month-on-month basis, total imports for Feb 2010 fell by 9.0% from US\$4.287B recorded in Jan 2010.

BDO doubles 1Q'10 net income to P2B (BDO; P43.00)

- Banco De Oro Unibank Inc. (BDO) solidified its gains in 1Q'10 with net income doubling to P2.06B from P1B in 1Q'09. BDO continues to derive bulk of its operating income from core lending and deposit-taking business and fee-based service activities, leading to a smaller contribution from volatile trading and foreign exchange gains. Net interest income was up 19% to P8.3B as net interest margins improved to 4.3% from 3.9% in 2009. Fee-based service income grew 17% to P2.5B. Operating costs increased at a slower 5% pace to P8.5B. Asset quality remained stable, but the Bank continued to be prudent by setting aside provisions of P1.6B to improve the non-performing loan coverage ratio to 84%.

Belle 1Q'10 profits triple to P122M (BEL; P1.92)

- Belle Corp. reported a net income of P121.879M for 1Q'10, more than triple the previous year's comparative, due to higher real estate revenues (+56% yoy to P147.5M) and foreign exchange gains. Belle is looking at 10% growth in profits for 2010, expecting higher take-up for the seventh and eighth phases of Lakeside Fairways and the second phase of Fairfield.

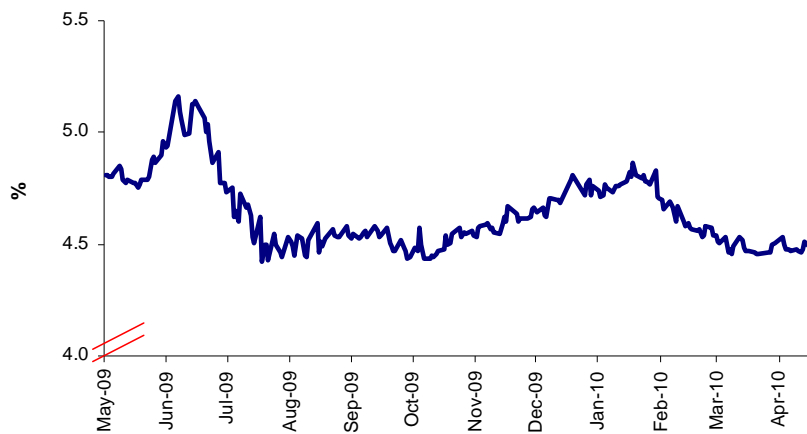
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PSBank posts 57% increase in Net Income for 1Q2010 (PSB; P51.50)

- Philippine Savings Bank (PSBank) reported a net income after tax of P475.43M (+57% yoy) for 1Q'10. Net interest income continued to be strong, posting an increase of 13% to P1.18B. Increased optimism in the economy allowed PSBank to expand its loan portfolio further by 13% to P49.96B, led by auto and mortgage loans. Other operating income surged 77% due to higher trading gains and service fees from Deposit and Loan transactions. Meanwhile, capital adequacy ratio improved to 15.69% from the 14.92% a year ago. Non-performing loans ratio net of fully provided loans went down to 4.98% as of Mar 2010 from 5.42% a year ago. During the quarter, PSBank set aside P374M in loan loss provisions which allowed its NPL coverage ratio to improve to 77.05% from 62.68% in Mar 2009.

PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.