



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

11 May 2010

## MORNING NOTES

### PSEi performance

PSEi Index 07 May 2010:	3,142.06	- 25.77
Value T/O, net	Php 2,949 million	
52-week High	3,327.99	
Low	2,202.60	
Foreign Buying:	Php 1,217 million	
Foreign Selling:	Php 1,670 million	

### Regional performance (10 May)

Dow Jones	: 10,785.14	+ 404.71
FTSE 100	: 5,387.42	+ 264.40
Nikkei 225	: 10,530.70	+ 166.11

### Trading snapshot

Index Movers	Points
Ayala Land	-8.87
BPI	-6.67
PLDT	-2.72
Aboitiz Power	+2.52
Metrobank	-2.47

Index Out-performers	Up
Aboitiz Power	3.45%
GMA Network	3.03%
Lepanto Consolidated B	2.27%
ICTSI	1.92%
Manila Water	1.67%

Index Under-performers	Down
Alliance Global	3.70%
Ayala Land	3.70%
BPI	3.45%
Philex Mining	2.08%
First Gen	2.06%

### Calendar

May 11	ICTSI 1Q'10 Results Teleconference
May 12	Mar '10 Merchandise Export Perf.
May 12	FGEN/ SMP ASM
May 12	Feb '10 Foreign Direct Investments

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## HEADLINES

### EU rescue plan lift Wall Street

Equities soared on Monday (May 10) as European leaders agreed on a \$1 trillion emergency rescue package of standby funds and loan guarantees available to euro-zone governments. The CBOE VIX volatility index fell 29.6% to end at 28.84 after leaping to its highest level in more than a year on Friday. Banks and technology shares were among the top gainers. Boeing Co (+6.4%) was among the Dow's top boosts, after Goldman Sachs raised its rating on the stock to "buy" from "neutral." McDonald's (+3.8%) rose after posting a rise in its April same-store sales, while Suntech Power Holdings Co Ltd (+11.8%) flew after first-quarter revenue beat expectations. But Dean Foods Co (-28.4%) dropped after posting less-than-expected first-quarter earnings and withdrew its full-year profit outlook.

### ICTSI 1Q2010 Income Up 107% (ICT; P26.50)

International Container Terminal Services, Inc. (ICTSI) reported consolidated unaudited financial results for the quarter ended March 31, 2010 posting first quarter revenue from port operations of US\$120.7M (+30% yoy), EBITDA of US\$56.6M (+47% yoy), and net income attributable to equity holders of US\$22.8M (+107% yoy). The higher net income was mainly due to an increase in volume brought about by the surge in global trade and favorable effect of operating leverage.

### Aboitiz group posts record 1Q'10 profit (AEV; P15.50)

Aboitiz Equity Ventures, Inc. (AEV) ended the first quarter of 2010 with a consolidated net income of P6.2B (+341% yoy). This translates to an earnings per share of P1.13 for the period in review. Out of the total earnings contributions from the business segments, power accounted for 90%. Income share of the banking and food groups were roughly the same at 6% each, while the transport group turned in a negative contribution. AEV incurred a non-recurring gain of P308M (versus a P550M non-recurring income for the same period last year), which resulted from the appreciation of the Philippine peso. Adjusting for this one-off, AEV's core net income for the quarter still grew at a very robust rate of 586% yoy, from P865M to P5.9B.

### Philex Mining's 1Q'10 net earnings rise 17% yoy (PX; P11.75)

Philex Mining Corp.'s consolidated 1Q'10 net income amounted to P521.3M (P0.1076/share), 17% higher than the previous year. Core net income and EBITDA amounted to P520.1M and P953.9M, respectively, compared to P380.1M and P785.0M, respectively, in 2009. Stronger metal prices buoyed operating revenue despite lower production volume for both copper and gold. Consolidated revenue this year also included petroleum revenue of P35.0M from Forum Energy PLC(FEP), a 52.37% effectively owned subsidiary, and coal revenue of P7.4M from Brixton Energy & Mining Corp. (BEMC), a wholly-owned subsidiary. The income of FEP came from its share of the Galoc production while the income of BEMC was from the trading of coal purchased from small-scale miners in its mining property.

## Please Read!

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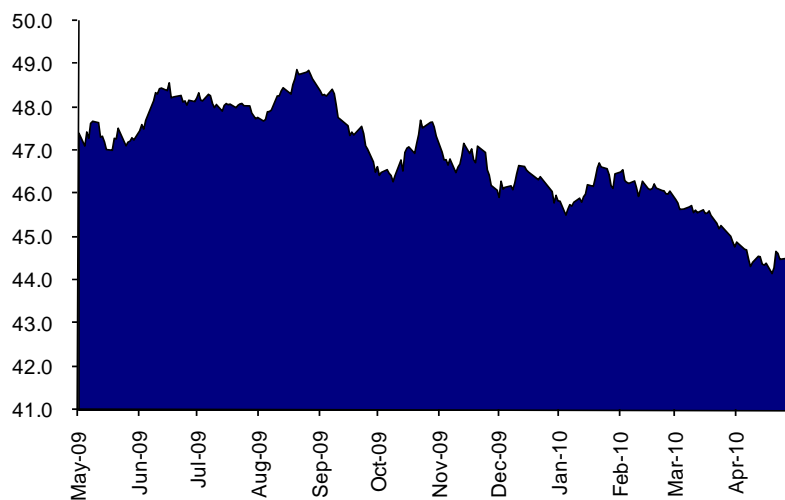
**Manila Water reports strong results for 1Q'10 (MWC; P15.25)**

- For the first three months of 2010, Manila Water Co (MWC) reported a net income of P839.5M (+35% yoy). The improvement was driven mainly by higher water demand brought about by the increase in the company's customer base and improvement in network efficiency.

**Ayala Land reports 32% hike in 1Q'10 net income (ALI; P13.00)**

- Ayala Land, inc. (ALI) recorded P1.2B (+32% yoy) net income for the first quarter of 2010. Consolidated revenues reached P9.22B (+24% yoy), with Real Estate and Hotel operations rising by 27% to P8.79B on strong performance of the residential business. Consolidated net operating income (NOI) reached P2.52B (+35% yoy) as overall NOI margins improved to 29% compared with 27% the previous year.

**Php versus US\$ : 1-Year Price Chart**



Source: Philippine Dealing and Exchange Corp.