



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

13 May 2010

MORNING NOTES

PSEi performance

PSEi Index 12 May 2010:	3,269.41	+ 6.48
Value T/O, net	Php 1,813 million	
52-week High	3,327.99	
Low	2,243.51	
Foreign Buying:	Php 1,560 million	
Foreign Selling:	Php 1,819 million	

Regional performance

Dow Jones	: 10,896.91	+ 148.65
FTSE 100	: 5,383.45	+ 49.24
Nikkei 225	: 10,394.03	- 17.07

Trading snapshot

Index Movers	Points
SM Prime	+5.59
Ayala Land	+4.47
PLDT	-4.11
Energy Dev't Corp.	-3.37
Ayala Corp.	+2.82

Index Out-performers	Up
Security Bank	6.67%
SM Prime	4.88%
Jollibee Foods Corp.	3.45%
ABS-CBN	3.03%
Lepanto Consolidated B	2.13%

Index Under-performers	Down
Filinvest Land	2.02%
Energy Dev't Corp.	1.85%
Megaworld Corp.	1.52%
GMA Network	1.45%
Aboitiz Equity	1.41%

Calendar

May 13	ABS/ TEL 1Q'10 Results Briefing
May 13	Ginebra San Miguel ASM
May 14	PF/ SINO/ BEL ASM
May 14	Ayala Corp. 1Q'10 Results Briefing

Anita L. Panaligan
Wealth Securities, Inc.
2103 East Tower, PSE Center, Exchange Road,
Ortigas Center, Pasig City 1600
Telephone: 02.634.5038
Facsimile: 02.634.5043

HEADLINES

Spain's austerity plan calm euro-zone fears

U.S. stocks rallied on Wednesday (May 12) after Spain unveiled an austerity plan that includes lowering civil service pay and cutting public-sector jobs, signaling that Europe was addressing its fiscal problems. Technology shares led gainers as IBM Corp (+4.6%) and Intel Corp (+3.6%) gave favorable outlooks. The materials sector also rose as gold surged to another record high at \$1,249.20 an ounce. In earnings news, Macy's Inc (+3.4%) swung to a 1Q profit and affirmed its outlook. On the downside, Morgan Stanley (-2%) fell after news that U.S. officials were probing whether it misled investors about mortgage derivative products it helped create. Meanwhile, the March U.S. trade deficit widened to its highest level in more than a year as both imports and exports rose in a sign of improved U.S. and foreign demand.

March 2010 Merchandise Exports up by 43.7%

Export earnings in Mar 2010 amounted to US\$4.176B, registering a double-digit growth of 43.7% from its year ago level of US\$2.907B. The same is true with its previous month level which rose by 17.0% from US\$3.570B in Feb 2010. Aggregate merchandise exports for the first quarter of 2010 also showed an increase of 42.9% to US\$11.326B from US\$7.926B posted during the same three-month period in 2009.

Foreign Direct Investments yield net inflows in Feb 2010

Foreign direct investments (FDI) in Feb 2010 recorded net inflows of US\$209M (+5.0% yoy), as all FDI components posted positive balances. The bulk of the inflows during the month emanated from the other capital account, which amounted to US\$177M, arising primarily from the repayment of trade credits extended earlier by Philippine subsidiaries/affiliates to parent companies abroad. Equity capital and reinvested earnings also registered net inflows of US\$25M and US\$7M, respectively. As a result, net FDI inflows in Jan-Feb reached US\$310M. This was, however, lower by 47.6% compared to the year-ago level. It will be recalled that in January 2009, there was a large inflow in equity capital due to the privatization of a local power corporation.

First Gen 1Q income at US\$36M; plans share sale in 4Q (FGEN; P10.50)

First Gen Corp. posted a 166% yoy growth in profits for the first three months of the year to US\$36M, primarily due to higher income of affiliate Energy Development Corp. (EDC), better wholesale electricity spot market prices for unit FG Hydro, and lower interest expenses. Consolidated revenues grew by 22% yoy to US\$351M on higher fuel charges. Its gas plants used liquid fuel condensate during the maintenance shutdown of its fuel source, the Malampaya natural gas project off Palawan. However, the higher fuel charges do not result in increased net income to First Gas as fuel is purely a pass-through cost. Meanwhile, First Gen said it plans to raise cash in 4Q this year by issuing 1B preferred shares to finance projects and cover other expenses. The company is eyeing P3B to P5B from the share sale and other fund-raising activities.

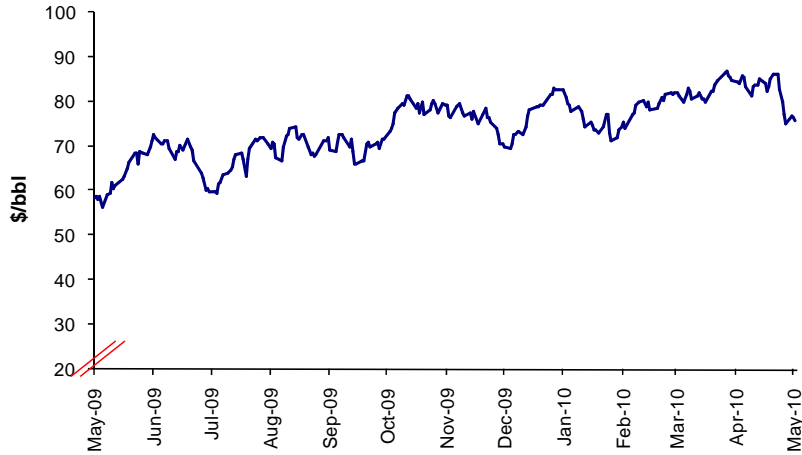
Please Read!

This document was prepared by Wealth Securities, Inc. (WSI) for information purposes only. It is not to be considered as an offer to sell, or as a solicitation of an offer to buy. Although reasonable care has been taken to ensure that the information contained therein is accurate and complete, WSI makes no representation as to its accuracy or completeness. No liability is accepted for any loss arising from the reliance on this information. This document cannot be reproduced in whole or in part by the recipient or another person, nor should it be redistributed by the person or the company to whom it was first addressed. All recipients are urged to make their own assessment as to the accuracy of the information contained herein. All information/opinion is subject to change without prior notice.

Security Bank nets P930M profit in 1Q'10 (SECB; P64.00)

- Security Bank Corp. said its net income rose by 24% yoy to P930.5M in the first quarter on the back of healthy growth in its interest (+7% yoy to P1.5B) and non-interest income (+17.4% yoy to P725.1M). Its first quarter performance translates to a return on equity of 20.1%. Its capital adequacy ratio was 18.1%, higher than the central bank minimum of 10%.

Nymex Crude 1-Yr Price Chart



Source: Bloomberg