



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

14 May 2010

MORNING NOTES

PSEi performance

PSEi Index 13 May 2010:	3,327.69	+ 58.28
Value T/O, net	Php 3,513 million	
52-week High	3,332.39	
Low	2,243.51	
Foreign Buying:	Php 1,554 million	
Foreign Selling:	Php 2,204 million	

Regional performance

Dow Jones	: 10,782.95	- 113.96
FTSE 100	: 5,433.73	+ 50.28
Nikkei 225	: 10,620.55	+ 226.52

Trading snapshot

Index Movers	Points
Ayala Land	+17.90
Aboitiz Equity	+8.89
Aboitiz Power	+6.34
Metrobank	+5.20
PLDT	+4.11

Index Out-performers	Up
Aboitiz Power	7.58%
Ayala Land	7.27%
Aboitiz Equity	7.14%
Robinsons Land	6.90%
First Phil. Holdings	4.55%

Index Under-performers	Down
Energy Dev't Corp.	1.89%
ICTSI	1.75%
Ayala Corp.	0.76%
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Calendar

May 14	PF/ SINO/ BEL ASM
May 14	Ayala Corp. 1Q'10 Results Briefing
May 17	AP/ AEV/ APC ASM
May 17	SMC 1Q'10 Results Briefing

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HEADLINES

Stocks retreat on comments from Cisco, Kohl's executives

U.S. stocks pulled back on Thursday (May 13) as Cisco Systems (-4.5%) cautioned about a still weak labor market while retailer Kohl's (-5.8%) execs said it was not convinced of a recovering economy. A report showed the number of U.S. workers filing for jobless benefits fell only slightly last week, while April retail sales data is highly anticipated on Friday following last week's poor April same-store sales. Home builders also fell after a government tax credit for home buyers has expired. Alcoa Inc (+2.7%) helped limit the Dow's slide on expectations that aluminum's price could rise. Whole Foods Market's (+5.6%) better-than-expected results and upbeat full-year forecasts boosted consumer stocks. But Sony Corp (-5.1%) fell after it gave a full-year operating profit forecast that was below expectations.

PNB reports 1Q'10 net income of P889M, up 22% yoy (PNB; P30.50)

Philippine National Bank (PNB) disclosed that 1Q'10 net income grew by 22.1% yoy to P889M due to a confluence of factors: lower cost of funds in tandem with a year-on-year increase in low cost deposits; gains from trading and investment securities; and reduction in operating costs with efficiencies being realized out of investments in technology, reengineering of processes, and prudent risk management. Consolidated resources closed at P283.3B as of March, slightly lower than the P284.5B in December 2009, mainly due to the slight dip in outstanding loans and receivables by 1.2% following the scheduled paydowns by large borrowers during the quarter. PNB's nonperforming loan ratio stood at 6.2% and its capital adequacy ratio, at 18.4%.

Recurring ad revenues' 45%-growth boosts ABS' 1Q profits (ABS; P34.00)

ABS-CBN Broadcasting Corporation (ABS-CBN) generated consolidated revenues of P7.75B in 1Q'10 from advertising and consumer sales, P2.46B or 47% higher year-on-year. Core net income jumped nearly six-fold to P1.08B as recurring advertising revenues rose 45%, complemented by non-recurring advertising revenues from political ads that boosted growth in total advertising revenues to 83% year-on-year. Recurring net income amounted to P667M after deducting income attributable to nonrecurring election-related advertising revenues. This translates to a 249% increase year-on-year over the P191M net income in 1Q'09. EBITDA for the first quarter of 2010 reached P2.44B, yielding an EBITDA margin of 31% and is 80% higher than EBITDA of P1.35B in 1Q'09. After netting out P600M EBITDA from non-recurring advertising revenues, recurring EBITDA totals P1.84B. This translates to an EBITDA margin of 27% and is 36% higher than recurring EBITDA a year ago. Meanwhile, capital expenditures and film and program rights acquisitions for the first quarter of 2010 amounted to P486M, P153 M or 24% lower year-on-year.

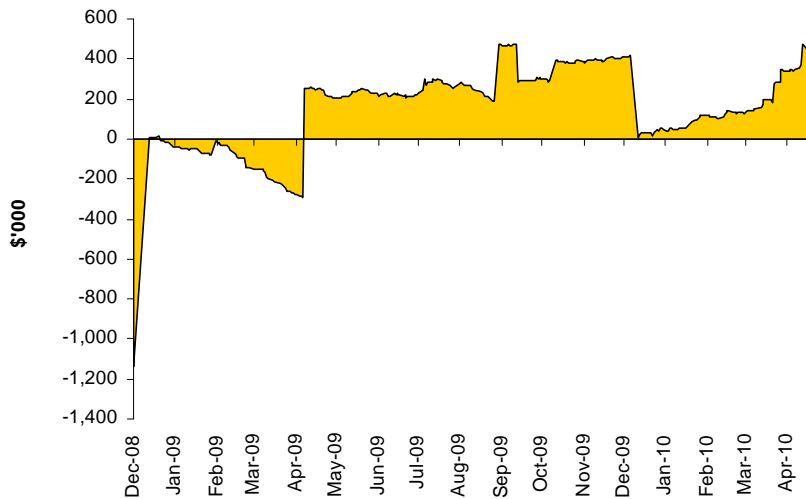
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Megaworld 1Q'10 profits rise 7.43% yoy to P1.098B (MEG; P1.32)

- Megaworld Corp.'s 1Q'10 net profit rose by 7.43% yoy to P1.098B on the back of a 6.15% rise in consolidated revenues to P4.65B resulting from strong property sales and increased leasing income. Including net unrealized gain on available-for-sale financial assets of P819.777M, Megaworld registered a P1.918B comprehensive income for the first three months of the year, up from P850.48M in 1Q'09. Megaworld has allotted up to P10B for capital expenditures this year to fund five new residential projects worth P12B.

Foreign Buying-Selling : 12-month period



Source: Bloomberg