



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

18 May 2010

## MORNING NOTES

### PSEi performance

PSEi Index 17 May 2010:	3,289.31	- 41.11
Value T/O, net	Php 2,645 million	
52-week High	3,342.31	
Low	2,272.00	
Foreign Buying:	Php 1,266 million	
Foreign Selling:	Php 1,340 million	

### Regional performance

Dow Jones	: 10,625.83	+ 5.67
FTSE 100	: 5,262.54	- 0.31
Nikkei 225	: 10,235.76	- 226.75

### Trading snapshot

Index Movers	Points
Ayala Land	-13.40
Energy Dev't Corp.	-6.74
Aboitiz Equity	-3.56
Ayala Corp.	-2.82
Philex Mining	-2.65

Index Out-performers	Up
Lepanto Consolidated B	4.17%
Universal Robina	1.96%
ICTSI	1.82%
Metrobank	1.77%
Jollibee Foods Corp.	1.68%

Index Under-performers	Down
Ayala Land	5.17%
Metro Pacific Investments	4.69%
Megaworld Corp.	4.48%
Philex Mining	4.17%
Energy Dev't Corp.	3.77%

### Calendar

May 18	GPH/ SMB ASM
May 18	VLL/ URC Results Briefing
May 19	GMA Network ASM, Results Briefing
May 19	Apr '10 Overall BOP Position

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## HEADLINES

### Bargain-hunting helps Wall Street close marginally up

■ Bargain hunters lifted U.S. stocks in late trading on Monday (May 17). Wal-Mart (+1.2%) and Target Corp (+1.6%) rose ahead of earnings results scheduled for release later in the week. Global demand worries hit commodities as a leading economic indicator showed that China's growth may have already peaked while a New York manufacturing index showed slower growth in May. Oil fell more than 2% to settle at \$70.08 a barrel while copper slid by 5.6%, dragging Exxon Mobil (-0.5%) and Freeport-McMoRan Copper & Gold (-2.5%). Lowe's Cos (-3.1%) fell after giving a disappointing profit forecast for the year. But the Dow Jones U.S. home construction index gained 0.5% after May home-builder sentiment rose to its highest level in more than two years.

### March 2010 OF remittances rise 5.6% yoy to US\$1.6B; 1Q figure at US\$4.3B

■ Remittances from overseas Filipinos (OFs) coursed through banks grew by 5.6% yoy in March 2010 to reach US\$1.6B, the second highest ever monthly remittance level recorded by the Bangko Sentral ng Pilipinas (BSP). This favorable outcome brought total remittances for the first three months of the year to US\$4.3B (+7.0% yoy). For the period January-March 2010, the bulk of the total remittances reported by local banks (about 81%) were sourced mainly from the U.S., Canada, Saudi Arabia, U.K., Japan, Singapore, Italy, and United Arab Emirates.

### San Miguel Q1 net income up 7% (SMC A/B; P73.00/P73.50)

■ San Miguel Corp. (SMC) posted a net profit of P2.9B (+7% yoy) for 1Q'10. Driven by strong sales from its domestic beer and hard liquor businesses, San Miguel generated consolidated sales revenue of P44.7B (+7% yoy). With higher sales, improved margins and managed fixed costs across the group, consolidated operating income rose 35% to P 5.79B. Except for the packaging business, all units posted growths: San Miguel Brewery, Inc., net income at P2.75B (+3% yoy); Ginebra San Miguel, Inc., net income at P317M (+27% yoy); and the food business' operating income more than doubled to P1.36B. But San Miguel Yamamura Packaging Corp., registered an 18% drop in operating income to P516M due to higher prices of raw materials. From its power business, SMC posted first-quarter revenues of P11.4B and operating income of P2.14B from its Limay, Sual, and San Roque power plants. Manila Electric Co., where San Miguel has a 27% stake, accounted for P543M in profits for the quarter. Meanwhile, Liberty Telecoms Holdings, Inc., which launched the Wi-Tribe internet service in February, already has 11,000 subscribers and is targeting 70,000 subscribers by yearend.

### Megaworld's 1Q net income up 9% (MEG; P1.28)

■ Megaworld Corporation posted a net income of P1.1B (+9% yoy) for 1Q'10, owing primarily to the continued strength of its real estate sales and rental income. Consolidated revenues amounted to P4.65B (+6% yoy). Real estate sales contributed P3.11B versus P3.01B a year ago. Rental income from BPO office and retail developments grew 27% yoy to P596.34M. Megaworld maintained a cash position, with cash and cash equivalents at P20.23B as of end-March 2010.

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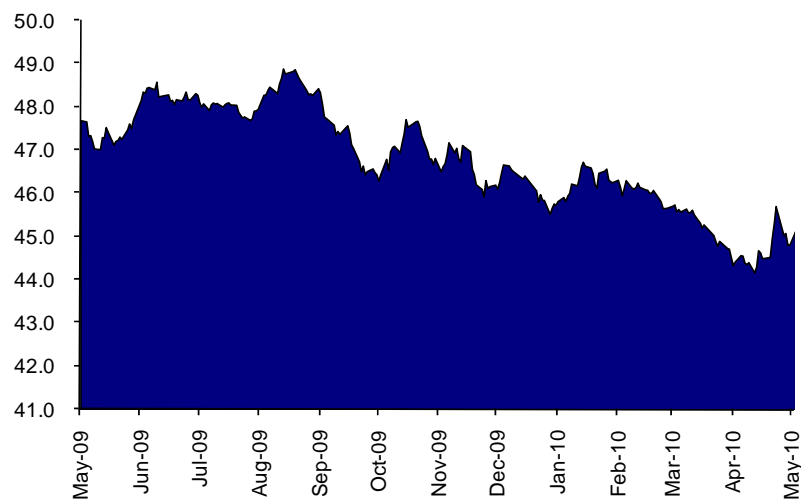
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**Filinvest Land 1Q'10 net income up by 14% yoy (FLI; P0.97)**

- Filinvest Land, Inc. (FLI) disclosed that its net income for the first quarter of 2010 reached P545M, higher by 14% over the P476M reported during the same period last year. Total revenues amounted to P1.581B, 11% more than the P1.429B generated during the first three months of 2009. Real estate sales accounted for 68% of total revenues while recurring rental income generated by the Company's BPO offices and mall leasing operations accounted for 20% of total revenues. The balance was accounted for by interest and other income. Total residential sales reservations for the first three months of 2010 posted a hefty growth of 26% from P1.87B in 1Q09 to P2.36B in 1Q10. As of the end of March 2010, total assets reached P59.8B while Stockholder's Equity stood at P39.7B. The Company's leverage position continued to be very low with debt-to-equity ratio at 0.31:1 and net to debt-to-equity ratio of 0.22:1.

**Benpres earns P11B in Q1 (BPC; P3.55)**

- Benpres Holdings Corp. recorded 1Q'10 net income attributable to equity holders of the parent at P11.023B, a reversal of the P176M net loss in the same period last year. Consolidated revenues rose by almost half to P7.752B from P5.289B last year as subsidiary ABS-CBN Broadcasting Corp. reported a 47% year-on-year increase in consolidated revenues as well as a sixfold hike in core net income. First Gen Corp. recorded a 166% rise in net income, backed by revenues from geothermal producer Energy Development Corp. and lower financing costs. Equity in net earnings of associates ballooned to P10.563B from P115M year on year following First Philippine Holdings Corp.'s sale of a 6.7% stake in power distributor Manila Electric Co.

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

Source: Philippine Dealing and Exchange Corp.