



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 10 Jun 2010:	3,224.49	- 30.34
Value T/O, net	Php 1,951 million	
52-week High	3,367.90	
Low	2,352.75	
Foreign Buying:	Php 1,048 million	
Foreign Selling:	Php 1,470 million	

### Regional performance

Dow Jones	: 10,172.53	+ 273.58
FTSE 100	: 5,132.50	+ 46.64
Nikkei 225	: 9,542.65	+ 103.52

### Trading snapshot

Index Movers	Points
Ayala Land	-4.47
Metrobank	-3.90
Aboitiz Equity	-3.56
SM Prime	-2.80
SM Investments	-2.38

Index Out-performers	Up
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Index Under-performers	Down
Universal Robina	3.77%
Metrobank	2.73%
Aboitiz Equity	2.60%
SM Prime	2.38%
Banco de Oro	2.25%

### Calendar

Jun 11	Manchester Int'l Holdings ASM
Jun 15	FED/ LSC/ VLL ASM
Jun 15	Apr '10 Labor Force Survey
Jun 16	Apr '10 OF Remittances

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## HEADLINES

### Wall Street rallies on Spain's strong bond sale, China data

- Stocks rebounded on Thursday (Jun 9) after Spain's €3.9B 3-year bond offering met strong demand, and China confirmed May exports jumped nearly 50% yoy, calming worries over the European crisis' impact on global growth. These outweighed news that the number of new filings for unemployment benefits fell less than expected last week, while the U.S. international trade deficit widened slightly in April. The energy sector led the advance, as crude futures advanced to \$75.48/barrel (+1.5%) following the China data coupled with the International Energy Administration raising its growth estimate for oil demand in 2010. Meanwhile, a Senate proposal to extend part of a homebuyer tax credit lifted housing stocks. But Goldman Sachs (-2.2%) declined on rumors that the Securities and Exchange Commission is investigating another mortgage-linked deal by the firm.

### April 2010 merchandise exports up by 27.4%

- Export earnings in April 2010 amounted to \$3.573B, registering a double-digit growth of 27.4% from its year ago level of \$2.804B. Compared to previous month level it went down by 14.5% from \$4.181B in March 2010. Aggregate merchandise exports for the first four months of 2010 also showed an increase of 38.9% to \$14.903B from \$10.730B posted during the same period in 2009.

### Foreign Direct Investments yield US\$396M net inflows in Q1 2010

- Foreign direct investments (FDI) for the first quarter of 2010 recorded net inflows of US\$396M (+19% yoy). Net inflows were registered across all FDI components during the review quarter. In March 2010, FDI posted net inflows of US\$14M, a reversal of the US\$258M net outflows recorded in March last year. The bulk of the FDI net inflows for the period Jan-Mar 2010 consisted primarily of intercompany loans availed of by local subsidiaries from their parent companies abroad, which benefited primarily the services (business process outsourcing) and utilities sectors.

### 2Q'10 consumer confidence slips, but hits record high in the next 12 months

- Consumer sentiment weakened slightly in Q2 2010, with the confidence index (CI) declining to -28.7% from -27.6% in Q1 2010 amid concerns over the impact of the El Niño dry spell on agricultural output and near-term uncertainties in the job market as new graduates enter the labor force. By contrast, with favorable expectations over the fresh mandate to be exercised by newly-elected national and local government officials, consumer confidence over the course of the next 12 months reversed gear and turned more optimistic. In particular, the next 3 months' CI reached its second highest level since the nationwide survey started in 2007, although the pessimists continued to outnumber the optimists but only by a small margin. Further evidence of more buoyant consumer confidence was reflected in the all-time-high positive index for the next 12 months which jumped to 10.0% from 5.1% a quarter ago and -7.6% a year ago.

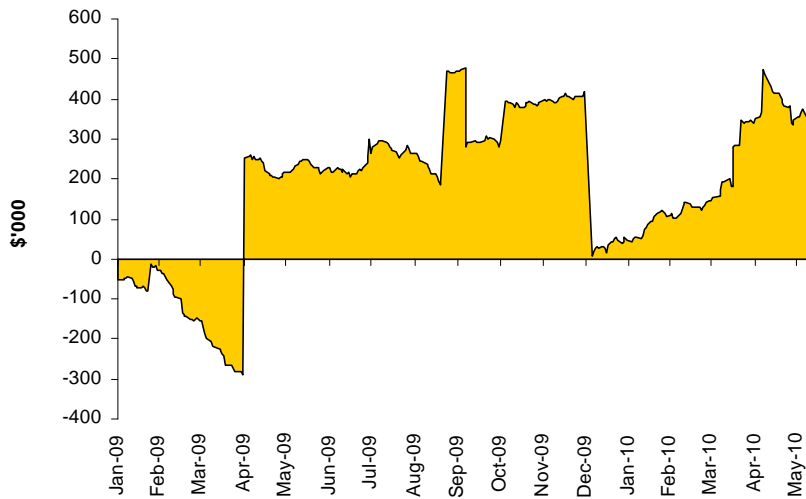
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**Trade department files case against flour millers, including URC (URC; P25.50)**

- The Department of Trade and Industry has filed an administrative case against 11 flour millers including Universal Robina Corp. (URC) and San Miguel Mills, Inc. for profiteering after orders to cut prices were allegedly ignored. However, an industry group said that wheat prices have not fallen to levels the Trade department had mentioned. A preliminary conference has been slated for June 29, Trade Assistant Secretary Ma. Theresa L. Pelayo said. The adjudication officer may decide to direct millers to cut prices while hearings take place.

**Foreign Buying-Selling : 12-month period**



Source: Bloomberg