



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

27 Jul 2010

## MORNING NOTES

### PSEi performance

PSEi Index 26 Jul 2010:	3,414.03	- 2.07
Value T/O, net	Php 895 million	
52-week High	3,485.94	
Low	2,591.42	
Foreign Buying:	Php 2,476 million	
Foreign Selling:	Php 1,434 million	

### Regional performance

Dow Jones	: 10,525.43	+ 100.81
FTSE 100	: 5,351.12	+ 38.50
Nikkei 225	: 9,503.66	+ 72.70

### Trading snapshot

Index Movers	Points
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Index Out-performers	Up
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Index Under-performers	Down
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### Calendar

Jul 27	May '10 External Trade Perf., MISSI
Jul 27	CEU, Vantage Equities ASM
Jul 28	DMC/ FJP/ JOH ASM
Jul 29	EDC/ HP/ SEVN/ SFI ASM

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## HEADLINES

### New home sales data, Fedex outlook lift equities

- FedEx's (+5.6%) upbeat outlook, coupled with a surprising 23.6% month-on-month jump in June new home sales, lifted U.S. stocks on Monday (Jul 26). The Dow Jones U.S. Home Construction Index gained 2.9%, led by PulteGroup Inc (+4.7%). Bank stocks (+2.6%) also rose after the Basel Committee's oversight body said it will scale back many of its proposals to beef up bank capital and liquidity rules. Genzyme Corp (+7.8%) jumped on takeover speculation. Meanwhile, BP Plc (+4.9%) is expected to install as chief executive Bob Dudley, an American known for diplomacy.

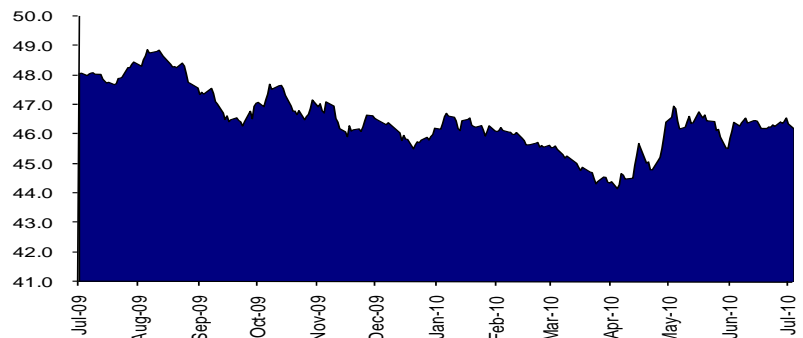
### Meralco 1H 2010 net income at P5.74B (MER; P179.00)

- Manila Electric Company (MER) announced that its consolidated Core Net Income for 1H 2010 increased by 82% yoy to P5.8B (EPS: P5.15). Consolidated Reported Net Income rose 51% yoy to P4.8B (EPS:P4.30). The profit improvements reflect the significantly higher volume of energy sold with the surge in demand by all customer classes, led by the industrial sector. Contributing to the better performance were higher average distribution rates for the period. Consolidated EBITDA was also higher at P11.2B, for an EBITDA margin of 9%. EBITDA for pure distribution revenues stood at 49%. The Board of Directors also declared an interim cash dividend of P2.50 per common share to all shareholders of record as of Aug 23, 2010, payable on Sep 16, 2010.

### Pacific Online 1H 2010 net income rises by 14% (LOTO; P15.26)

- Pacific Online Systems Corporation (LOTO) posted consolidated net income of P133.0M (+14% yoy) for the first six months of the year on revenues of P536.3M (+13% yoy). The modest growth was mainly due to weaker-than-expected lottery sales caused by power outages in Visayas and Mindanao. Pacific Online expects sales and revenue growth to recover for the rest of the year with the improved power situation, continued roll-out of terminals, introduction of new games, wider network of retail lotto outlets, and intensified marketing and distribution infrastructure for Philippine Charity Sweepstakes Office (PCSO) lottery products.

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



Source: Philippine Dealing and Exchange Corp.

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