



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 06 Aug 2010:	3,516.28	- 4.82
Value T/O, net	Php 2,029 million	
52-week High	3,526.42	
Low	2,693.13	
Foreign Buying:	Php 1,835 million	
Foreign Selling:	Php 1,078 million	

Regional performance

Dow Jones	: 10,653.56	- 21.42
FTSE 100	: 5,332.39	- 33.39
Nikkei 225	: 9,642.12	- 11.80

Trading snapshot

Index Movers	Points
SM Investments	+2.36
Energy Dev't Corp.	-2.00
Aboitiz Equity	-1.76
Jollibee Foods Corp.	-1.75
Metro Pacific Investments	+1.43

Index Out-performers	Up
Metro Pacific Investments	5.67%
GMA Network	3.48%
Robinsons Land	2.81%
Megaworld Corp.	2.35%
SM Investments	1.10%

Index Under-performers	Down
First Phil. Holdings	2.26%
Philex Mining	2.06%
Jollibee Foods Corp.	1.73%
Alliance Global	1.42%
Energy Dev't Corp.	1.36%

Calendar

Aug 09	Manila Water 2Q Results Briefing
Aug 09	May '10 NG Outsdng Public Debt
Aug 10	ABS-CBN 2Q Results Briefing
Aug 10	Jun '10 Merchandise Exports Perf.

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HEADLINES

Jobs data hit Wall Street

- U.S. stocks fell on Friday (Aug 6) after data showed the U.S. economy lost 131,000 jobs in July, more than twice the 65,000 decline that economists forecast. Private employment also rose less than expected. Consumer stocks were among the worst performers, with the S&P consumer discretionary index down 0.5%. Nonetheless, stocks sharply pared back losses in late afternoon trading. Kraft Foods Inc (+2.4%) reported a higher-than-expected quarterly profit and raised its target for cost savings from its Cadbury acquisition. AIG (+2.6%) climbed after its quarterly results topped expectations and it is actively looking to repay its taxpayer bailout. In after-hours trading, Hewlett-Packard (-9%) tumbled after its Chief Executive Mark Hurd resigned following an investigation of sexual harassment.

End-July 2010 GIR stands at US\$48.6B

- Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed that the country's gross international reserves (GIR) level as of end-July 2010 reached US\$48.6B. This is lower by US\$0.1B than the previous month's level of US\$48.7B due mainly to revaluation losses on the BSP's gold holdings following the decline in the price of gold, payments by the National Government (NG) for its maturing foreign exchange obligations, and foreign currency withdrawals by authorized agent banks.

Government's Malampaya stake will not be sold in the meantime

- Energy Secretary Jose Rene D. Almendras said that the Aquino administration has decided to shelve the sale of the PNOC-Exploration Corp.'s (PNOC-EC) 10% stake in the Malampaya oil and gas field. He added that the PNOC board will explore the possibility of letting go of its shipping company rather than just selling its two single-hulled ships.

RCBC's 1H 2010 profit up 25% (RCB; P22.90)

- Rizal Commercial Banking Corp. (RCBC) said that its 1H 2010 profit rose 25% YoY to P2.11B, resulting in a return on equity of 14.64% and return on assets of 1.52%. The healthy growth in its core retail banking, corporate banking, and lending to small and medium enterprises, supported by gains from treasury operations, spurred its strong performance. The parent bank's capital-adequacy ratio stood at 17.52% as of end-June, while Tier 1 ratio is at 13.23% versus the central bank's 6% requirement.

Aboitiz Equity 2Q 2010 net income up 149% YoY (AEV; P22.50)

- Aboitiz Equity Ventures, Inc. (AEV) ended 2Q 2010 with a consolidated net income of P5.0B (+149% YoY). Out of the total earnings contributions from the business segments, power accounted for 79%, banking, 11% and food at 10%, offsetting the negative contribution of the transport group. AEV incurred a non-recurring loss of P428M (versus a P121M non-recurring loss last year), from the movements in the peso-dollar exchange rate. Adjusting for this one-off, AEV's core net income for the quarter grew at 155% YoY, from P2.1B to P5.5B. For 1H 2010, AEV ended the period with a consolidated net income of P11.3B (+228% YoY), equivalent to a P2.04 in earnings per share.

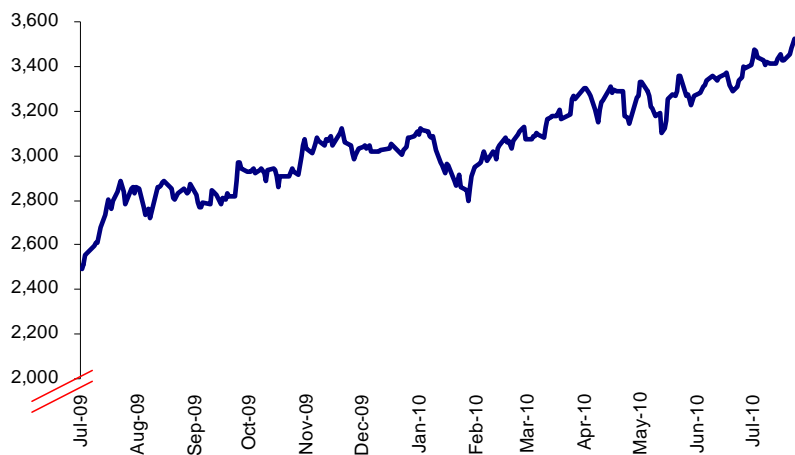
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Ayala Land posts P1.32B net income in 2Q 2010 (ALI; P15.80)

- Ayala Land, Inc. (ALI) earned P1.32B (+10% YoY) in 2Q 2010 on the back of across-the-board growth in its businesses. This brought 1H 2010 net income to P2.51B, up by a third. Consolidated revenues for 1H reached P18.45B (+28% YoY), largely due to the strong growth in the residential (+25% YoY) and construction businesses. The company's leasing operations in shopping centers (+6% YoY), offices (+7% YoY) and hotels likewise performed well. Ayala Land President Antonino T. Aquino said the company expects demand in the residential sector to remain strong, and has increased full-year 2010 target to nearly 12,000 units. Ayala Land also signed a 30-year lease agreement with Ellimac Prime Holdings, Inc. of the Puregold and S&R Stores group for the development of a six-hectare property in Fairview. The project is expected to break ground in 4Q 2011.

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange