



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 09 Aug 2010:	3,524.70	+ 8.42
Value T/O, net	Php 1,682 million	
52-week High	3,533.28	
Low	2,693.13	
Foreign Buying:	Php 1,271 million	
Foreign Selling:	Php 678 million	

Regional performance

Dow Jones	: 10,698.75	+ 45.19
FTSE 100	: 5,410.52	+ 78.13
Nikkei 225	: 9,572.49	- 69.63

Trading snapshot

Index Movers	Points
ABS-CBN	+3.54
Energy Dev't Corp.	+3.01
Ayala Land	-2.85
SM Prime	-2.00
SM Investments	+1.79

Index Out-performers	Up
ABS-CBN	7.95%
San Miguel Corp. B	2.94%
Philex Mining	2.50%
Metro Pacific Investments	2.35%
Energy Dev't Corp.	2.07%

Index Under-performers	Down
SM Prime	1.61%
China Bank	1.23%
Lepanto Consolidated B	1.20%
Ayala Land	1.01%
Ayala Corp.	0.90%

Calendar

Aug 10	ABS-CBN 2Q Results Briefing
Aug 10	Jun '10 Merchandise Exports Perf.
Aug 10	May '10 Foreign Direct Investments
Aug 11	ICTSI Special Stockholders' Mtg.

Anita L. Panaligan
Wealth Securities, Inc.
2103 East Tower, PSE Center, Exchange Road,
Ortigas Center, Pasig City 1600
Telephone: 02.634.5038
Facsimile: 02.634.5043

HEADLINES

Equities post moderate gains as market awaits Fed statement

- U.S. stocks rose on Monday (Aug 9) on hopes that the Federal Reserve will take steps to boost economic recovery after Friday's weaker-than-expected jobs report for July. The U.S. central bank is expected to release its statement at 2:15 p.m. (1815 GMT) on Tuesday. McDonald's Corp (+1.6%) hit a lifetime high at \$73.33 after it reported July sales data that was stronger than expected. Research in Motion Ltd (+3.5%) boosted the Nasdaq after a Saudi official said the BlackBerry maker and Saudi mobile firms were testing three servers to send communications and data through Saudi Arabia before Canada to address Riyadh's concerns over security. Hewlett-Packard (-8%) limited the Dow's gains.

Credit watchdog affirms RP ratings

- Fitch Ratings kept the country's long-term foreign currency issuer default rating at **BB**, two notches below investment grade, with a stable outlook. It also affirmed the country's **BB+** long-term local currency issuer default rating and **B** short-term foreign currency issuer default rating. Fitch said it will wait for the new administration to deliver on promises to boost the low tax take and maintain fiscal discipline in the 2011 budget to support a case for any positive rating action.

Manila Water 2Q 2010 net income up 34% (MWC; P17.36)

- Manila Water Company's (MWC) net income for 2Q 2010 grew 34% YoY to P1.97B on the back of an increase in customer base and the recovery in consumption brought about by the improving economy. Revenues rose 18% YoY to P5.5B, supported by a 5% growth in water sales to 203.3 million cubic meters (mcm). Customer base expanded to 1.2M households as of end-June 2010, with 64,039 households connected in 1H 2010. Non-revenue water declined by 3 percentage points to 13.5% from last year's 16.4%. Outside the East Zone, MWC's operating units recorded revenue gains of 15% in Laguna and 33% in Boracay. Laguna operations posted a 263% rise in net income to P7.43M with improved operating efficiencies. Boracay Water's net income declined by 81% to P5.5M due to a one-time adjustment from the implementation of the IFRIC 12 accounting standard.

Phoenix Petroleum 1H 2010 profits rise 151% YoY (PNX; P7.75)

- Phoenix Petroleum Philippines, Inc. announced that its core net income for 1H 2010 rose to P135.4M (+151% YoY). Year-on-year revenue grew 179% to P6.188B this year, surpassing its full-year 2009 revenue performance of P5.873B. First-half sales volume surged 126% YoY as retail stations, which numbered 131 as of June 30, expanded. The Company had 120 stations in end-2009. As of August 3, Phoenix Petroleum grew its total stations to 142 around the country. Furthermore, sales to commercial accounts which include customers in land transportation, power sector, shipping and airlines also registered significant increases. Company assets increased by 23% YoY to P6.159B. The Company's first-half core earnings per share rose from 2009's P0.20 per share to P0.51 per share in 2010.

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Asian Terminals concludes grains terminal sale (ATI; P5.60)

- Having secured the relevant approvals of its Board of Directors and over 2/3 of its stockholders, Asian Terminals, Inc. (ATI) has successfully concluded the sale of all its shares in the outstanding capital stock of Mariveles Grain Corporation, to Philippine Grain International Corporation on this date, at a price in excess of ATI's recorded book value for such shares. Following the sale, ATI expects to focus on expanding and upgrading its other businesses and growing its ability to generate revenue from new and existing port operations.

Php versus US\$: 1-Year Price Chart



Source: Philippine Dealing and Exchange Corp.