



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 17 Aug 2010:	3,502.25	+ 22.58
Value T/O, net	Php 2,623 million	
52-week High	3,539.29	
Low	2,693.13	
Foreign Buying:	Php 1,484 million	
Foreign Selling:	Php 1,198 million	

Regional performance

Dow Jones	: 10,405.85	+ 103.84
FTSE 100	: 5,350.55	+ 74.45
Nikkei 225	: 9,161.68	- 34.99

Trading snapshot

Index Movers	Points
Energy Dev't Corp.	+4.67
Ayala Land	+3.56
SM Investments	+3.49
Alliance Global	+2.88
Megaworld Corp.	+2.74

Index Out-performers	Up
Megaworld Corp.	5.26%
Alliance Global	3.90%
Energy Dev't Corp.	3.00%
Universal Robina	2.92%
Security Bank	2.52%

Index Under-performers	Down
Robinsons Land	2.10%
SM Prime	1.65%
Philex Mining	0.98%
China Bank	0.75%
Metrobank	0.48%

Calendar

Aug 18	The Phil. Mid-year Econ Briefing
Aug 19	Jun '10 Overall Bal. of Payments
Aug 24	Marcventures Holdings SSM
Aug 25	Jun '10 External Trade, MISSI

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

Stocks rally on retailers' earnings, M&A activity

- U.S. stocks rebounded on Tuesday (Aug 17) after Wal-Mart (+1.9%) and Home Depot (+4.8%) reported better-than-expected profits, and BHP Billiton made an unsolicited US\$39B takeover bid for Potash Corp of Saskatchewan Inc (+27.7%), which rejected the offer as inadequate. CF Industries (+4.7%) jumped after Goldman Sachs upgraded the stock. The materials sector gained 2.3%. Economic data showed a rise in both industrial production and wholesale prices, allaying deflation concerns, but housing starts suggested that the sector remains weak.

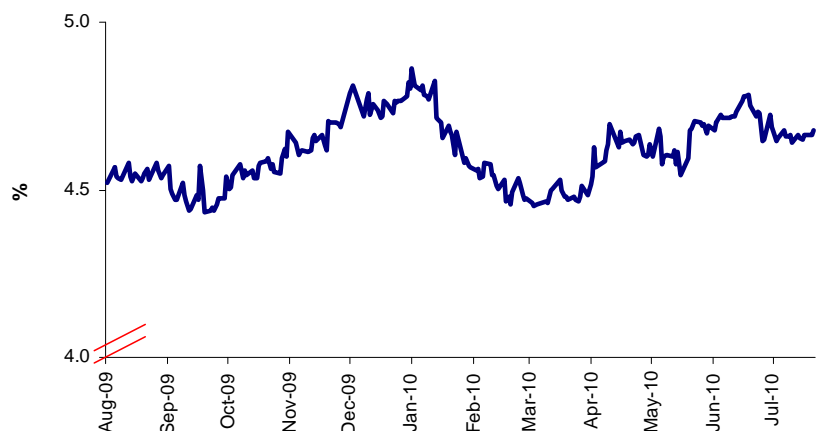
PNOC-EC's 1H profit slides on Malampaya shutdown (PEC A/B; P25.00/P24.00)

- Philippine National Oil Co.-Exploration Corp.'s (PNOC-EC) net income slid 9.73% to P970.4M in 1H 2010, mainly attributed to the decline in gas offtake and condensate liftings from the Malampaya project due to a maintenance shutdown in Feb, coupled with an increase in coal cost of sales and operating expenses. Revenues rose by 39.1% YoY to P4.51B, but gross profit fell by 4.1% YoY to P1.55B. Net income was cushioned by bunkering services and higher volume of coal sold.

Allied Bank posts 10% profit growth in 1H 2010 (ABC; P1,000.00)

- Allied Banking Corp. reported a 10% growth in 1H net income to P574M on gains across all segments. Net interest income rose 2.4% to P3.44B, while other income jumped 9.6% to P1.34B. Allied Bank booked bigger gains from commissions and fees that offset foreign-exchange losses and the decline in trading gains. Miscellaneous income rose 55.8% YoY to P877.9M. Provisions for impairment and credit losses totaled P627.8M. Allied Bank ended the first half with total assets expanding by 5% to P192.51B from a year earlier as it grew its loan portfolio. Loans and receivables increased 4.5% to P88.3B. For 2Q alone, net income fell 47% to P196.6M, mainly due to foreign-exchange and trading losses. Net interest income grew 2% to P1.75B as interest expenses dropped.

PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.

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