



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 16 Sep 2010:	4,005.46	+31.98
Value T/O, net	Php 3,231 million	
52-week High	4,014.43	
Low	2,754.62	
Foreign Buying:	Php 2,183 million	
Foreign Selling:	Php 2,374 million	

### Regional performance

Dow Jones	: 10,594.83	+ 22.10
FTSE 100	: 5,540.14	- 15.42
Nikkei 225	: 9,509.50	- 7.06

### Trading snapshot

Index Movers	Points
SM Investments	+14.15
Energy Dev't Corp.	-6.35
PLDT	+5.98
Manila Electric Co.	+5.89
Ayala Land	+4.98

Index Out-performers	Up
SM Investments	5.77%
Manila Electric Co.	3.92%
First Phil. Holdings	3.92%
Alliance Global	2.57%
Jollibee Foods Corp.	2.21%

Index Under-performers	Down
Energy Dev't Corp.	3.29%
Metro Pacific Investments	2.09%
ICTSI	1.56%
Universal Robina	1.01%
Manila Water	0.97%

### Calendar

Sep 20	Export and Industry Bank SSM
Sep 20	Aug '10 Overall BOP Position
Sep 21	MRC Allied, Inc. ASM
Sep 23	FAF/ IRC/ MBC ASM

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## HEADLINES

### Wall Street stays flat on mixed data

- U.S. stocks closed flat on Thursday (Sep 16) as a drop in initial jobless benefit claims in the most recent week was offset by a contraction in a gauge of business activity in the U.S. Mid-Atlantic region in September. Bellwether FedEx Corp (-3.7%) fell after it forecast quarterly profit below expectations and warned that the recovery may slow. Ford Motor Co (+4.8%) rose after Barclays upgraded the stock to "overweight". In after-hours trading, Oracle Corp (+4.1%) and Research in Motion Ltd (+8.4%) rose after posting quarterly results that topped Wall Street's expectations, while Texas Instruments (+3.5%) rose after increasing the amount of stock it would repurchase and boosted its quarterly dividend by 8%.

### Consumer Confidence improves in Q3 2010

- Consumer sentiment improved markedly in Q3 2010 from -28.7% in Q2 2010 to -14.0%, the highest reading since the nationwide survey started in 2007, on expectations of continuing sound macroeconomic fundamentals, brighter economic prospects expected to bring about improved household finances, good governance cited by respondents for their favorable outlook. The expectations of Filipino consumers followed the trends observed in neighboring countries such as India, Indonesia, Singapore, China and Vietnam. Moreover, for the next quarter and the year ahead, consumers expect that favorable macroeconomic conditions would generate better employment and business opportunities, resulting in improved family finances and higher family income.

### SMDC stock rights final price to be determined on Sep 20 (SMDC; P8.50)

- SM Development Corp. (SMDC) plans to hold its second-stock rights offering in 2010 from Oct 18 to 22, with shares indicatively priced at P5.45 to P5.73 per share. SMDC said the final offer price will be determined on Sep 20, based on an 18% to 22% discount to the volume weighted average for the 15 trading days prior. SMDC plans to sell a total of 1.83B common shares to existing stockholders at a ratio of one share for every three shares owned as of the record date on October 6. The listing date is tentatively set on November 3 this year.

### Lotte Group to buy 34.4% stake in Pepsi-Cola Phils (PIP; P2.83)

- South Korea's Lotte Chilsung Beverage Co. Ltd. will buy a combined 34.4% stake in local beverage firm Pepsi-Cola Products Philippines Inc. (PCPPI) from Guoco Inc., Hong Way and other minority shareholders at P3.50 per share. The sale is expected to close not later than Oct 20, 2010. Lotte Chilsung is not required to conduct a tender offer since its stake is less than 35%. Pepsi-Co, which will keep 29.5% of the beverage company. For the fiscal year ended Jun 2010, PCPPI posted a net income of P738M, slightly lower than the P799M posted in the same period a year ago, while net sales totaled P16.1B in fiscal year 2010, up from P14.2B in 2009.

## Please Read!

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