



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index	30 Sep 2010:	4,100.07	-10.98
Value T/O, net		Php 3,623 million	
52-week High		4,142.85	
Low		2,771.02	
Foreign Buying:		Php 2,091 million	
Foreign Selling:		Php 1,046 million	

### Regional performance

Dow Jones	:	10,788.05	- 47.23
FTSE 100	:	5,548.62	- 20.65
Nikkei 225	:	9,369.35	- 190.03

### Trading snapshot

Index Movers	Points
SM Investments	+18.90
Aboitiz Equity	-6.70
Energy Dev't Corp.	-5.34
Jollibee Foods Corp.	+4.73
Philex Mining	-3.57

Index Out-performers	Up
SM Investments	7.55%
Jollibee Foods Corp.	4.60%
Aboitiz Power	0.72%
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Index Under-performers	Down
Lepanto Consolidated B	8.47%
Philex Mining	4.56%
Aboitiz Equity	3.80%
Megaworld Corp.	3.06%
Alliance Global	3.02%

### Calendar

Oct 04	Polar Property Holdings ASM
Oct 05	Berjaya Phils./ Alliance Global ASM
Oct 05	Sep '10 CPI, Inflation Rate
Oct 05	Aug '10 Producer Price Survey

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## HEADLINES

### Wall Street closes lower after volatile session

Equities closed a volatile session slightly lower on Thursday (Sep 30), as investors were split between positioning for the end of the quarter and buying on encouraging data. Initial jobless claims fell sharply in the latest week, while the Commerce Department revised higher its final read on 2Q GDP. Regional business activity indexes in New York City and the U.S. Midwest also showed stronger readings. Among gainers, Boeing Co (+0.9%) said its full-year results would not be hurt by a delay in the first delivery of its biggest commercial jet, the 747-8 Freighter, while AIG Inc (+4.4%) unveiled a plan to repay its \$182.3B taxpayer bailout. But Prudential Financial (-4.2%) fell after it agreed to buy two Japanese life insurance units from AIG for \$4.2B. After the bell, Hewlett-Packard Co (-3%) slid after naming Leo Apotheker as its new chief executive. In the options market, bearish activity was detected in Micron Technology Inc about a week before its quarterly results, and in Dell Inc.

### Department of Energy aims to secure more power supply capacity

Energy Secretary Jose Rene D. Almendras said that the Department of Energy (DOE) has been taking measures to increase the country's supply of electricity in the next few years. Mr. Almendras said he has been meeting with top executives of San Miguel Energy Corp., First Gen and DMCI Power Corp., for investments of up to 1,000 megawatts (MW) in additional capacity. Out of the 1,000 MW, 600 MW could come from the rehabilitation of existing plants. At the same time the government has allocated some P50M in the proposed 2011 budget of DOE to study the possible use of nuclear energy. DOE has also formed a task force to study possible amendments to the Electric Power Industry Reform Act of 2001 (EPIRA), to encourage more investments in the power sector.

### First Gen examining options re BG stake sale in gas plants (FGEN; P13.24)

The BG Group informed First Philippine Holdings Corporation (FPHC) and First Gen Corporation (FGEN) that it has signed a Sale and Purchase Agreement with Korea Electric Power Corporation for the sale of the Group's 40% interests in both the Santa Rita and San Lorenzo power stations for a net consideration of approximately US\$400M, subject to standard completion adjustments including interest to be paid to the BG Group upon closing which is expected in the first quarter of 2011. Closing of the transaction is subject to receiving necessary waivers and consents from non-recourse lenders and FPHC. FPHC and FGEN are evaluating their rights and options in respect of BG's contemplated divestment of its interests in Santa Rita and San Lorenzo. Francis Giles B. Puno, president and chief operating officer of First Gen, said that the company and its parent, First Philippine Holdings Corp., hope to reach a decision on which option to take by the end of the year. Mr. Puno said First Gen preferred a buyout of BG.

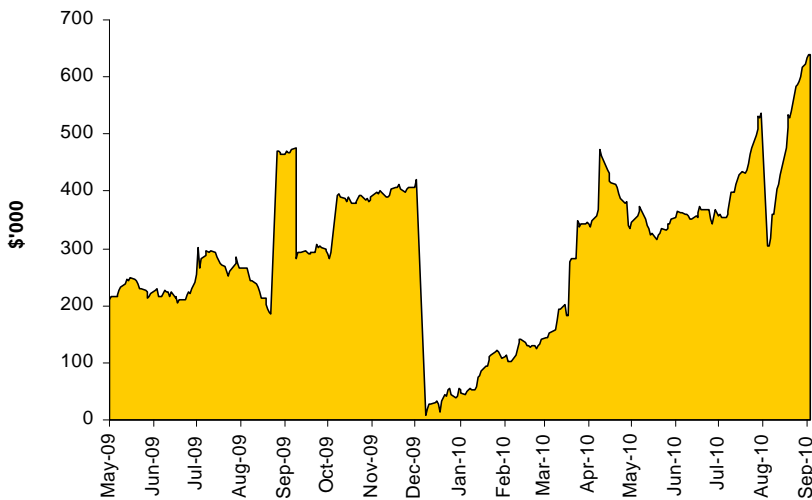
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**SM Prime to open SM City San Pablo (SMPH; P12.62)**

- SM Prime Holdings, Inc. (SM Prime) will open today SM City San Pablo, along the Maharlika Highway in Barangay San Rafael, San Pablo City, Laguna. SM City San Pablo has a gross floor area (GFA) of 56,086 square meters (sqm), and a leasable area of 34,169 sqm, 99% of which has already been awarded to various tenants. It also offers a business center and a food court that comfortably seats up to 456 diners. The mall has four cinemas with a combined seating capacity of about 1,400, and provides parking slots for over 600 vehicles and a terminal for public utility vehicles. For the rest of 2010, SM Prime is scheduled to open SM City Calamba, and SM City Novaliches in Quezon City. By year-end, the company is expected to have 40 malls in the Philippines, with an estimated total GFA of 4.8M sqm. SM Prime is also set to open its fourth mall in mainland China, which will be located in the city of Suzhou.

**Foreign Buying-Selling : 12-month period**



Source: Bloomberg