



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index	06 Oct 2010:	4,196.73	+24.86
Value T/O, net		Php 3,916 million	
52-week High		4,226.48	
Low		2,787.66	
Foreign Buying:		Php 2,554 million	
Foreign Selling:		Php 2,006 million	

Regional performance

Dow Jones	:	10,967.65	+ 22.93
FTSE 100	:	5,681.39	+ 45.63
Nikkei 225	:	9,691.43	+ 172.67

Trading snapshot

Index Movers	Points
PLDT	+11.40
SM Investments	-7.55
Alliance Global	+6.93
Philex Mining	+3.36
Metrobank	+2.59

Index Out-performers	Up
Alliance Global	6.32%
Metro Pacific Investments	4.85%
Philex Mining	4.18%
Megaworld Corp.	2.54%
Lepanto Consolidated A	2.20%

Index Under-performers	Down
SM Investments	2.94%
Ayala Corp.	0.95%
BPI	0.90%
Manila Electric Co.	0.87%
Robinsons Land	0.80%

Calendar

Oct 07	Monetary Policy Stance
Oct 07	Sep '10 Gross Int'l Receipts (GIR)
Oct 08	Medco Holdings, Inc. ASM
Oct 08	Atlas Mining 1H'10 Results Briefing

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HEADLINES

Tech shares downgrade hit Wall Street

■ Tech shares weighed on the U.S. equities market on Wednesday (Oct 6) after Morgan Stanley downgraded semiconductor firms Xilinx Inc (-3.1%) and Altera Corp (-2.8%) to "underweight". Investors also chewed on prospects for additional stimulus measures following an ADP Employer Services report showing private employers unexpectedly cut 39,000 jobs in Sep, ahead of the government's Friday's employment report. Non-farm payrolls are largely expected to be unchanged, while private payrolls are seen to add 75,000. Meanwhile, Yum Brands Inc (+1%) gained after reporting higher adjusted 3Q earnings. On Thursday, Alcoa (+1.6%) will mark the unofficial start to earnings season.

IMF revises Philippines' 2010 growth to 7%

■ The International Monetary Fund (IMF) has revised its 2010 growth forecast for the Philippines from 6% to 7%, higher than the government's 5-6% target. The estimate is also higher than the 6.6% growth seen for the ASEAN-5 grouping, where the Philippines is topped by Thailand (+7.5%). The IMF forecast follows recent revisions by multilateral organizations, financial institutions and debt watchers. However, the IMF expects Philippine growth to slip to 4.5% in 2011, lagging the ASEAN-5 estimate of 5.4%.

Meralco's Oct generation charge lower by P1.10 per kWh (MER; P228.00)

■ The Manila Electric Co. (Meralco) announced a P1.10 per kilowatt-hour (kWh) cut in its generation charge for October 2010 to P4.31/kWh, the lowest since February's P4.93/kWh. The decrease resulted from an average P0.30/kWh reduction in independent power producers (IPP) rates and lower automatic adjustments in National Power Corp. (Napocor) rates, which helped offset a P1.20/kWh increase in the effective cost of power sourced from the wholesale electricity spot market (WESM). The appreciation of the peso also contributed to lowering the cost of power from the IPPs. The lower generation charge means households consuming 200 kWh, which make up a third of the utility's total customers, will see a P220 decrease in their monthly electricity bills.

Nymex Crude 1-Yr Price Chart



Source: Bloomberg

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