



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 12 Oct 2010:	4,166.52	- 52.27
Value T/O, net	Php 3,614 million	
52-week High	4,253.75	
Low	2,787.66	
Foreign Buying:	Php 2,797 million	
Foreign Selling:	Php 1,968 million	

### Regional performance

Dow Jones	: 11,020.40	+ 10.06
FTSE 100	: 5,661.59	- 10.81
Nikkei 225	: 9,388.64	- 200.24

### Trading snapshot

Index Movers	Points
Ayala Land	-10.67
PLDT	-8.70
SM Prime	-5.54
Jollibee Foods Corp.	-5.25
Manila Electric Co.	-5.15

Index Out-performers	Up
Lepanto Consolidated A	2.35%
Alliance Global	1.91%
ICTSI	0.99%
Aboitiz Power	0.81%
ABS-CBN	0.63%

Index Under-performers	Down
Jollibee Foods Corp.	4.95%
SM Prime	4.01%
Ayala Land	3.44%
Manila Electric Co.	3.15%
First Phil. Holdings	3.01%

### Calendar

Oct 15	PB Com Special Stockholders' Mtg.
Oct 15	Aug '10 OF Remittances
Oct 19	Sep '10 Overall Bal. of Payments
Oct 20	Pepsi-Cola Products Phils. ASM

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## HEADLINES

### Fed meeting details lift Wall Street, but China tightening cap gains

U.S. stocks hit fresh highs on Tuesday (Oct 12) as minutes of the its latest meeting showed that the Fed may again flood markets with cheap cash to further boost growth. This helped lift the KBW bank index (+1.5%). But China's bid to cool down its economy weighed, as it sparked concerns on global growth. Meanwhile, drilling contractors (Transocean Ltd, +4.7% and Diamond Offshore, +4%) rose after the U.S. government lifted its ban on deepwater drilling ahead of schedule. Apple (+1.1%) led gainers on Nasdaq after Barclays raised its price target for the stock. Pfizer Inc (+0.5%) rose after it agreed to buy King Pharmaceuticals (+39.4%) for \$3.6B. Intel Corp (+1.1%) added another 1% after hours following strong 3Q results and better 4Q sales forecast.

### Merchandise exports for Aug 2010 up by 36.6%

Total earnings for merchandise export in Aug 2010 amounted to US\$4.745B (+36.6% YoY; +5.4% MoM). Meanwhile, aggregate merchandise exports for the period Jan to Aug 2010 increased by 37.3% YoY to US\$32.970B. Accounting for 63.0% of the total export revenue in Aug 2010, Electronic Products was the country's top export with total receipts of US\$2.989B (+45.3% YoY).

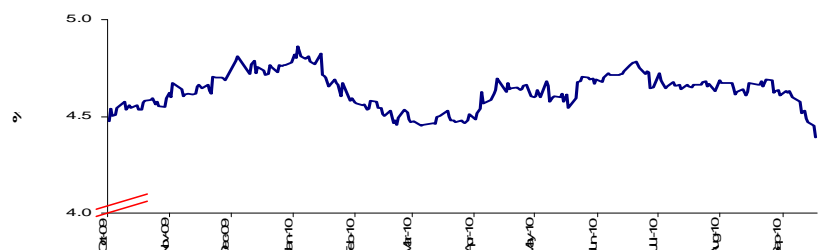
### Foreign Direct Investments post net inflows in July 2010

Foreign direct investments (FDI) in July 2010 yielded net inflows of US\$222M, largely driven by the other capital account, which summed up to US\$186M, or more than four times the level recorded in the same month a year ago. Other capital account consisted largely of intercompany borrowings from foreign direct investors by their subsidiaries/affiliates in the Philippines. For the Jan-Jul 2010 period, FDI net inflows reached US\$954M.

### Alcorn Gold sets rights offering for next month (APM; P0.011)

Alcorn Gold Resources Corp. plans to raise P100M next month through a 1:11.7241 stock rights offering to shareholders of record as of Oct 28. Proceeds will be used to fund Alcorn's share in the West Linapacan oil exploration project. The company plans to list 10B common shares at an offer price of P0.01 per rights share, or a 9.09% discount from its Oct 12 closing price. The offer period will run from Nov 15 to 26 this year, with the listing date set on Dec 6. Asian Alliance Investment Corp. was tapped as issue manager and underwriter.

### PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.

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