



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

22 Oct 2010

MORNING NOTES

PSEi performance

| | | |
|-------------------------|-------------------|---------|
| PSEi Index 21 Oct 2010: | 4,249.17 | + 57.21 |
| Value T/O, net | Php 2,120 million | |
| 52-week High | 4,253.75 | |
| Low | 2,787.66 | |
| Foreign Buying: | Php 2,179 million | |
| Foreign Selling: | Php 2,098 million | |

Regional performance

| | | |
|------------|-------------|---------|
| Dow Jones | : 11,146.57 | + 38.60 |
| FTSE 100 | : 5,757.86 | + 28.93 |
| Nikkei 225 | : 9,376.48 | - 5.12 |

Trading snapshot

| Index Movers | Points |
|---------------------|--------|
| Aboitiz Equity | +9.52 |
| Manila Electric Co. | +8.69 |
| PLDT | +5.98 |
| Aboitiz Power | +4.77 |
| SM Investments | +4.72 |

| Index Out-performers | Up |
|----------------------|-------|
| Manila Electric Co. | 5.73% |
| Aboitiz Equity | 4.12% |
| Aboitiz Power | 3.65% |
| SM Prime | 3.07% |
| Manila Water | 2.05% |

| Index Under-performers | Down |
|------------------------|-------|
| Ayala Land | 0.11% |
| -- | -- |
| -- | -- |
| -- | -- |
| -- | -- |

Calendar

| | |
|--------|---------------------------------------|
| Oct 22 | Steniel Manufacturing Corp. ASM |
| Oct 22 | Manila Electric Co., Results Briefing |
| Oct 26 | Suntrust Home Developers ASM |
| Oct 26 | Aug '10 External Trade Perf., 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

Share prices gain as strong earnings offset a rebounding dollar

U.S. equities edged higher on Thursday (Oct 21) as early gains from strong corporate results were capped by a rebounding U.S. dollar (+0.4%). Oil slid over 2% to under \$81 per barrel, dragging related issues (Occidental Petroleum, +2.7%). Banking stocks (Bank of America, -3.3%) remained weak on lingering confusion in the mortgage market. Better-than-expected results from McDonald's Corp (+1.3%) and Travelers Cos Inc (+0.6%) helped lift the Dow. Home Depot Inc (+3.5%) rose after Stifel Nicolaus reiterated its "buy" rating on the stock. eBay (+6%) and Netflix (+12.8%) surged after both reported upbeat results late Wednesday. But Amazon.com (-4.2%) fell sharply in after-hours trading after reporting that rising costs offset a jump in revenue.

Jan to Sep Fiscal Deficit at P259.8B, P13.9B better than program

The Jan to Sep fiscal deficit of the National Government (NG) reached P259.8B, P13.9B lower than the programmed ceiling of P273.7B. The over performance can be attributed to the P54.2B lower spending partly on account of the savings in interest payments due to lower borrowing cost. Revenue collections reached P894.7B (+7% YoY) for the first three quarters, with the Bureau of Internal Revenue (BIR) contributing P607.3B (+9.0% YoY); the Bureau of Customs (BOC), P191.0B (+15.5% YoY); the Bureau of the Treasury, P45.5B (-12.8%); and other offices, P50.9B (-21.9%). Actual disbursements amounted to P1,154.5B (+7% YoY). Excluding interest payments, total disbursements increased by 8%. Netting out the interest payments in the expenditures, the primary deficit reached to P15.2B.

SM Prime opens SM City Novaliches (SMPH; P12.10)

SM Prime Holdings, Inc. (SM Prime) will open today its 40th shopping mall in the Philippines, SM City Novaliches, along Quirino Highway in Barangay San Bartolome, Novaliches, Quezon City. The latest SM mall has gross floor area (GFA) of 60,334 square meters (sqm) and a leasable area of 42,721 sqm, 85% of which has already been awarded to various tenants. The amenities of SM City Novaliches include a food court with a seating capacity of over 500, four cinemas, parking slots for over 1,200 vehicles, and a terminal for public utility vehicles. The new mall is estimated to have provided up to 4,000 new jobs to include those of the mall's tenants and suppliers.

SEC approves IPO of Nickel Asia Corp.

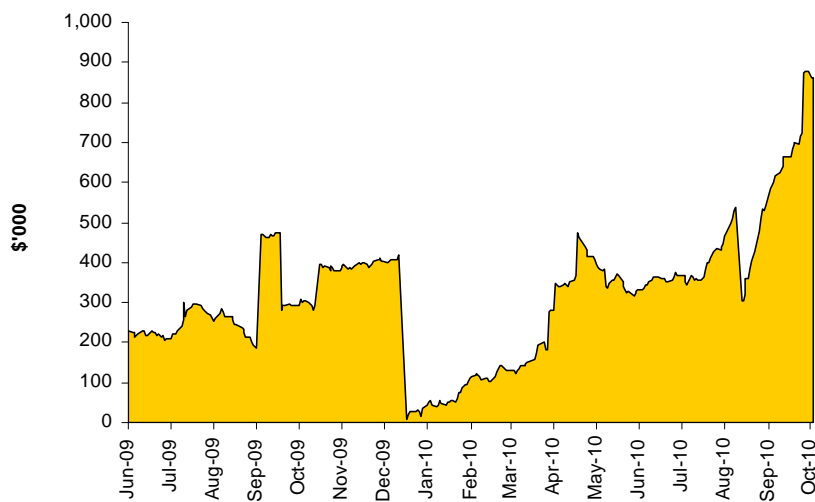
The Securities and Exchange Commission (SEC) has approved the initial public offering (IPO) of Nickel Asia Corp, involving the sale of 198M to 304.5M common shares, or up 30% of the firm, plus 29.7M to 45.675M shares under an over-allotment option at an offer price range of P14.95 to P23 apiece. The IPO can generate a minimum of P3.4B and a maximum P8.05B in fresh capital for Nickel Asia. Seventy percent of the IPO shares will be sold to investors outside the Philippines, and the remaining 30% to local investors.

Please Read!

This document was prepared by Wealth Securities, Inc. (WSI) for information purposes only. It is not to be considered as an offer to sell, or as a solicitation of an offer to buy. Although reasonable care has been taken to ensure that the information contained therein is accurate and complete, WSI makes no representation as to its accuracy or completeness. No liability is accepted for any loss arising from the reliance on this information. This document cannot be reproduced in whole or in part by the recipient or another person, nor should it be redistributed by the person or the company to whom it was first addressed. All recipients are urged to make their own assessment as to the accuracy of the information contained herein. All information/opinion is subject to change without prior notice.

- About P3.98B of the proceeds will be used for the Taganito high pressure acid leach plant in Mindanao; P393.64M for projects of nickel and copper units Taganito Mining Corp., Rio Tuba Nickel Corp., Hinatuan Mining Corp., and Cagdianao Mining Corp.; P46.31M to acquire new properties; and P30.76M for the recapitalization of Cordillera Exploration Co., Inc. The miner has tapped ATR Kim Eng Capital Partners, Inc., SB Capital Investments Corp., and UBS International Philippines, Inc. as underwriters for the domestic offering, and UBS AG and CLSA Singapore Pte., Ltd. for the foreign offering,
- Nickel Asia’s comprehensive net income attributable to equity holders of the parent surged to P684.57M in 1H2010, from just P112.6M in the same period last year, with revenues almost tripling to P3.05B from P1.14B the previous year.

Foreign Buying-Selling : 12-month period



Source: Bloomberg