



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 29 Oct 2010:	4,268.74	+ 8.05
Value T/O, net	Php 4,032 million	
52-week High	4,299.08	
Low	2,787.66	
Foreign Buying:	Php 2,842 million	
Foreign Selling:	Php 2,626 million	

Regional performance (01 Nov)

Dow Jones	: 11,124.62	+ 6.13
FTSE 100	: 5,694.62	+ 19.46
Nikkei 225	: 9,154.72	- 47.73

Trading snapshot

Index Movers	Points
SM Investments	+6.61
Ayala Corp.	-6.47
Alliance Global	+5.54
Aboitiz Equity	-4.93
BPI	+3.16

Index Out-performers	Up
Alliance Global	4.42%
Metro Pacific Investments	4.38%
SM Investments	2.64%
Manila Electric Co.	1.84%
Megaworld Corp.	1.59%

Index Under-performers	Down
Lepanto Consolidated B	5.13%
Ayala Corp.	2.85%
Aboitiz Equity	2.05%
San Miguel Corp.	1.86%
Jollibee Foods Corp.	1.61%

Calendar

Nov 03	San Miguel Pure Foods, SSM
Nov 04	PLDT/ ICTSI 3Q Results Briefing
Nov 04	Highlights, Monetary Policy Issues
Nov 05	Oct '10 Inflation Rate

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HEADLINES

Wall Street little changed on eve of elections

U.S. stocks closed flat on Monday (Nov 1) ahead of events that could dictate the stock market's direction in the weeks ahead. A Republican-dominated House is seen as "friendly" to big business and could also derail the Obama administration's ability to enact its agenda. The Fed is widely expected to announce that it will relaunch heavy bond buying to stimulate the economy. Meanwhile, Oct U.S. factory activity and Sep construction spending rose unexpectedly while Oct manufacturing in China grew at the fastest pace in six months. Baker Hughes (+5.2%) reported a 3Q profit that beat expectations while M&T Bank Corp (+4.5%) said it would buy Wilmington Trust Corp (-42.5%) for \$351M. But JPMorgan (-0.6%) fell on reports that the Securities and Exchange Commission is probing the firm on subprime-related disclosures.

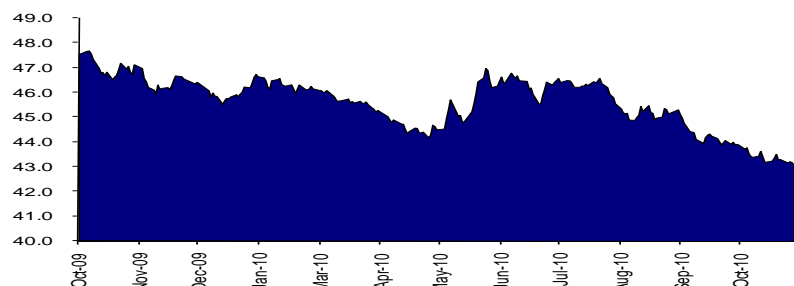
PhilWeb posts nine-month income at P477M (WEB; P14.92)

PhilWeb Corp. reported a net income of P477M (+28% YoY) in the first three quarters of 2010, on the back of improved revenues totaling P755M (+30% YoY). Philweb has remitted a total of P921M to the Philippine Amusement and Gaming Corp. (Pagcor) at end-Sep, representing the Pagcor's 60% share from the e-Games Internet café and Internet sports betting station businesses. PhilWeb president Dennis Valdes said that management is also pleased with their businesses' performance at the start of 4Q 2010, and remained confident that 2010 will be a record year for PhilWeb.

BPI reports operating performance as of end-Sep 2010 (BPI; P58.65)

Bank of the Philippine Islands' (BPI) net income for Jan-Sep 2010 amounted to P9.1B (+24% YoY). Net interest income grew by 8% due to an 11% increase in average asset base. Non-interest income increased by 22% on gains from securities trading, fees and commissions, and foreign exchange transactions. Operating expenses rose by 7% YoY. BPI set aside P2.5B in impairment losses, up from last year's P2.1B. Still, net 30-day NPL ratio improved to 2.6% with a reserve cover of 115.9%. Total resources went up by 15% YoY to P764B. Deposits at P613B were higher by 19%. Net loans reached P331B (+13.7% YoY) as all segments continued to post improvements. BPI's Basel II Capital Adequacy Ratio (CAR) was at 17.0%, while Tier 1 CAR was at 15.3%.

Php versus US\$: 1-Year Price Chart



Source: Philippine Dealing and Exchange Corp.

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