



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

17 Nov 2010

MORNING NOTES

PSEi performance

PSEi Index 15 Nov 2010:	4,139.32	+ 62.64
Value T/O, net	Php 3,074 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 2,772 million	
Foreign Selling:	Php 2,873 million	

Regional performance (16 Nov)

Dow Jones	: 11,023.50	- 178.47
FTSE 100	: 5,681.90	- 138.51
Nikkei 225	: 9,797.10	- 30.41

Trading snapshot

Index Movers	Points
SM Investments	+11.81
Energy Dev't Corp.	+9.56
Metrobank	+6.68
JG Summit	+5.25
Aboitiz Equity Ventures	+4.64

Index Out-performers	Up
Energy Dev't Corp.	6.15%
Universal Robina	5.33%
First Gen	5.01%
SM Investments	4.81%
JG Summit	4.00%

Index Under-performers	Down
Globe Telecom	2.34%
Lepanto Consolidated B	1.32%
ABS-CBN	0.73%
First Phil. Holdings	0.32%
BPI	0.26%

Calendar

Nov 17	Roxas and Company, Inc. ASM
Nov 18	4Q'10 Business Expect'ns Survey
Nov 18	BSP Monetary Policy Stance
Nov 19	Boulevard Holdings, Inc. ASM

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HEADLINES

Worries over euro-zone debt, China tightening drag Wall Street

U.S. stocks tumbled Tuesday (Nov 16) as favorable 2010 profit forecasts from Wal-Mart Stores (+0.6%) and Home Depot (+1%) were overshadowed by concerns about Ireland's financial stability, and expectations that China will unveil food price controls and crack down on commodity speculation. The U.S. dollar gained (+0.9%), hitting commodity prices and natural resources companies such as Alcoa (-2.8%) and Exxon Mobil (-2.2%). Tech shares (-1.9%) were not spared. Continued speculation over whether the Federal Reserve will spend all of the \$600B earmarked for its latest round of quantitative easing also pressured the market. The CBOE Volatility Index climbed 11.8% to 22.58, its highest close in more than a month.

Sep 2010 OF remittances rise 10.6% YoY

Remittances from overseas Filipinos (OFs) rose by 10.6% YoY to US\$1.6B in Sep 2010, bringing the Jan-Sep level to US\$13.8B (+7.8% YoY). Remittances from both sea-based and land-based workers increased, by 11.4% and 6.9%, respectively. The major country sources of remittances representing 84.0% of the total were the U.S., Canada, Saudi Arabia, Japan, the U.K., United Arab Emirates, Singapore, Italy, and Germany. Continued preference for competencies of Filipino workers plus the expanding transfer network of bank and non-bank channels may explain the steady flow of remittances into the country.

DMCI Holdings' Jan-Sep 2010 profits surge 79% YoY (DMC; P35.40)

DMCI Holdings, Inc. reported a 79% YoY jump in net income to P5.8B for the Jan-Sep 2010 period. The inclusion of the new power business (Calaca coal-fired plant) boosted the already significant growth in the construction (+139% YoY), real estate (+110% YoY) and mining (+84% YoY) businesses. But the water business under Maynilad Water Services, Inc., a joint venture with Metro Pacific Investments Corp., recorded a 6% drop in contribution to P1.33B. DMCI Holdings expects profits for the entire 2010 to grow by as much as half to P7B.

First Holdings ups net income in Q3 (FPH; P62.60)

First Philippine Holdings Corporation (First Holdings) posted a net income of P28.4B (+153% YoY) for Jan-Sep 2010 period, mainly due to a combined gain on sale and mark-to-market restatement of its Meralco shares. Unaudited net income attributable to equity holders of the parent is P25.5B, also better against last year's P7.8B. Basic EPS is at P42.53, while diluted EPS is at P42.41.

Security Bank 9-month net rises by 51% (SECB; P92.50)

Security Bank Corp. posted a 51% YoY rise in its 9-month net income to P3.3B. Non-interest income totaled P2.7B (+79% YoY) after trading gains summed up to P1.8B (+229% YoY). Security Bank's net interest income stood at P4.6B. Operating expenses (excluding credit and impairment losses), meanwhile, settled at P3.3B. Its nonperforming loan ratio remained at an industry-low of 1.6%. As of end-Sep, Security Bank's capital adequacy ratio (CAR) was at 18.4%, with Tier 1 ratio at 15.8%.

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MPIC enters cooperation agreement with Fil-Estate in MRT 3 (MPI; P3.88)

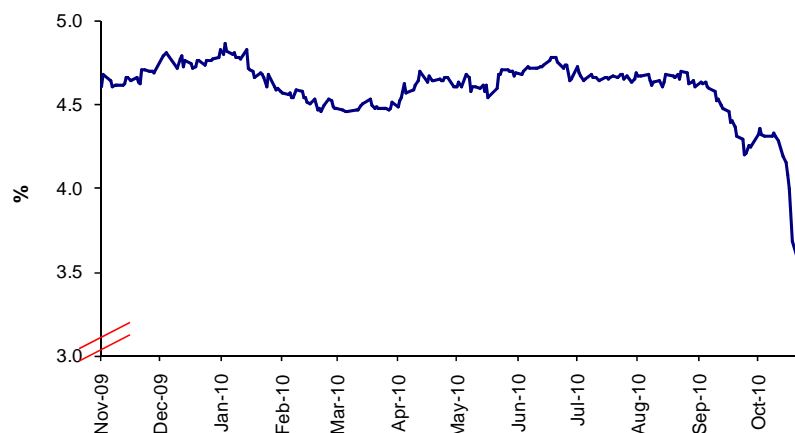
- Metro Pacific Investments Corporation (MPIC) has entered into a Cooperation Agreement with Fil-Estate Corporation (Fil-Estate), relating to its rights and interests in the MRT 3 companies consisting of Metro Rail Transit Holdings, Inc., Metro Rail Transit II, Inc., Metro Rail Transit Corporation (MRTC) and Monumento Rail Transit Corporation. The transaction involved, among other things, the appointment of new directors in the said MRT 3 companies who will pursue the continuing relationship between MRTC and the Philippine Government under the Build-Lease-Transfer Agreement covering the MRT 3 line along Epifanio Delos Santos Avenue.

Metrobank's Jan-Sep 2010 net income up 44% YoY to P6B (MBT; P74.75)

- Metropolitan Bank & Trust Co.'s (Metrobank) nine-month consolidated net profit rose by 44% YoY to P6B. Operating income improved by 12% YoY to P36.1B. Net interest income was flat at P20.1B, but non-interest income surged by 38% YoY to P16B due to higher trading and foreign exchange gains, bank fees and commissions as well as strong contribution from key subsidiaries. Meanwhile, Metrobank's CAR stood at 16.0%, with Tier 1 ratio at 11.4% as of end-Sep 2010.

Alliance Global net income jumps to P7.55B in Jan-Sep 2010 (AGI; P11.24)

- Alliance Global Group, Inc. (AGI) raised its consolidated net income for the period Jan to Sep this year to P7.55B on revenues of P32.34B (+27% YoY). AGI's nine-month net income attributable to shareholders rose 63% YoY to P5.39B (EPS of P0.56). AGI's property arm, Megaworld Corporation, contributed 42% to the former's earnings net of minority interest while non-real estate businesses consisting of consumer food and beverage and integrated tourism projects accounted for 58%. For the nine-month period, AGI's subsidiaries Megaworld and Emperador Distillers saw their net profit rise to record levels of P4.08B and P1.1B, respectively. The combined cash position of the different business units of the AGI group reached P54.1B as a result of higher operating efficiency.

PDS 1-Year Tenor Yield: 12-month period

Source: Philippine Dealing and Exchange Corp.