



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 30 Dec 2010:	4,201.14	+ 1.83
Value T/O, net	Php 4,224 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 1,813 million	
Foreign Selling:	Php 1,800 million	

### Regional performance (31 Dec)

Dow Jones	: 11,577.50	+ 7.80
FTSE 100	: 5,899.94	- 71.07
Nikkei 225 (30 Dec)	: 10,228.90	- 115.62

### Trading snapshot

Index Movers	Points
JG Summit	-9.40
Aboitiz Power	+4.58
ICTSI	+4.31
BPI	-3.96
Metro Pacific Investments	+3.79

Index Out-performers	Up
Robinsons Land	4.76%
Metro Pacific Investments	4.01%
ICTSI	3.93%
Lepanto Consolidated A	3.37%
Manila Electric Co.	3.17%

Index Under-performers	Down
JG Summit	8.41%
Universal Robina	2.65%
DMCI Holdings	2.31%
Megaworld Corp.	1.59%
BPI	1.42%

### Calendar

Jan 04	Cityland/ City & Land Dev. SSM
Jan 05	Dec `10 CPI, Inflation Rate
Jan 06	Nov `10 Producer Price Survey
Jan 07	PhilWeb Corp. SSM

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## HEADLINES

### Equities close 2010 with quiet trading

- U.S. stocks closed 2010 little changed on Friday (Dec 31) as investors declined to make big bets ahead of the new year. For 2010, the S&P climbed 12.8%, the Dow added 11% and the Nasdaq surged 16.9%. In deal news, CVS Caremark Corp (-0.7%) agreed to buy Universal American Corp's (+40%) Medicare prescription drug business for about \$1.25B; IMAX Corp (+4.5%) jumped after reports that Sony Corp might bid at least \$40 per share for the big-screen movie company. Among a host of data this week, investors will closely watch construction spending, same-store sales and the services sector.

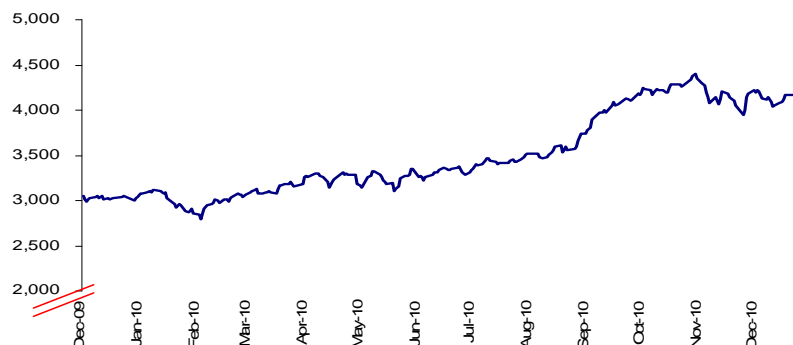
### Additional take from sin tax expected at P7.6B in 2011

- The National Government (NG) is set to implement an increase of 8% in tax rates for sin products (e.g., cigarettes and alcoholic drinks) this year. Finance Undersecretary Gil Beltran said the NG expects to collect P7.6B more from this rate rise. The NG raised at least P46.2B from sin taxes in 2010. Republic Act (RA) 9334 stipulates an upward adjustment in excise-tax rates by 8% every two years beginning 2007. This law will expire in 2013, and the Finance Department is preparing to lobby for the passage of a new law that will result in a uniform rate for cigarettes and alcohol, regardless of the brand. Beltran added that the government will push for the harmonization of sin-tax rates before it expires in 2013.

### SMC interested in US\$450M Laguna water project (SMC; P163.80)

- San Miguel Corp. (SMC) has expressed interest in partnering with Penson and Co. to develop a 400-million-liter-per-day (MLD), US\$450M bulk-water project that will harness water from the southern end of the Sierra Madre mountain range in Pakil, Laguna. Penson and Co chairman Ricardo Penson said that their group will submit an unsolicited proposal to the Laguna Lake Development Authority for the seven rivers water rights. The government is reportedly set to cancel the water rights held by another private-sector group due to the latter's failure to press forward with any development. Previous water initiatives of SMC include the proposed 1,900-MLD Laiban Dam and, indirectly, through its bid for the 246-megawatt Angat hydroelectric plant in Bulacan.

### PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange

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