



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 29 Dec 2010:	4,199.31	+ 35.32
Value T/O, net	Php 3,370 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

Dow Jones	: 11,585.38	+ 9.84
FTSE 100	: 5,996.36	- 12.56
Nikkei 225	: 10,344.54	+ 51.91

Trading snapshot

Index Movers	Points
Metrobank	+14.22
Manila Electric Co.	+6.74
SM Investments	+4.94
Alliance Global	+4.21
Aboitiz Power	-2.41

Index Out-performers	Up
Manila Electric Co.	7.28%
First Gen	6.84%
Metrobank	6.65%
Alliance Global	3.14%
Lepanto Consolidated A	2.30%

Index Under-performers	Down
ICTSI	1.93%
Aboitiz Power	1.63%
Filinvest Land	1.50%
Globe Telecom	1.23%
Universal Robina	0.97%

Calendar

Dec 30	Monetary Policy Stance
Jan 04	Cityland/ City & Land Dev. SSM
Jan 05	Dec `10 CPI, Inflation Rate
Jan 06	Nov `10 Producer Price Survey

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HEADLINES

Wall Street buoyed by 2011 optimism

Investor optimism about the economy in 2011 lifted most U.S. stocks on Wednesday (Dec 29). Consumer-linked shares including McDonald's (+1.1%) and Walt Disney (+0.9%) posted solid gains. In corporate news, BJ's Wholesale Club (+7.1%) jumped on reports that Leonard Green & Partners remained interested in buying the former. Sears Holdings (+6.4%) rose after it launched an on-demand video service to compete with Netflix (-1.9%) and similar companies. TMolycorp (+6.8%), which owns a rare-earth mine in Mountain Pass, California, rose after China reduced quotas for exporting the minerals. Petrobras (+4.9%) said that its reserves could rise significantly due to two deep-water oil fields. Noble Energy (+2.6%) confirmed earlier estimates that the offshore Leviathan prospect was Israel's largest natural gas find.

Monetary Board keeps policy rates steady

The Monetary Board (MB) maintained key policy interest rates at 4% for the reverse repurchase (RRP) facility and 6% for the repurchase (RP) facility. The interest rates on term RRP, RPs, and special deposit accounts (SDAs) were also left unchanged. The MB's inflation outlook remains favorable, indicating that current policy settings continue to be appropriate. Latest baseline forecasts show inflation settling within the target range of 4.5% ± 1% for 2010 and 4% ± 1% for 2011 and 2012. At the same time, the Board noted that possible inflation pressures could come from generally higher global food and oil prices, the approved increase in tollway fees, and a stronger momentum in demand growth.

Smart's cellular subscribers expected to reach 45M in 2010 (TEL; P2,552.00)

Smart Communications Inc., the cellular service arm of Philippine Long Distance Telephone Co. (PLDT), expects to end 2010 with 45M cellular service subscribers, 4M higher than the 41.3M recorded in 2009, and over 8M internet service users. Smart's president Napoloen Nazareno said that voice services and mobile internet browsing are expected to lift Smart's revenues going forward. Smart recorded a 140% YoY increase in domestic call minutes, boosting cellular revenues by 12% and raising the share of voice to Smart's total cellular service revenues from 46% to 49% as of Sep 2010. Voice overtook SMS, whose share of total revenues declined from 54% to 48%.

Nymex Crude 1-Yr Price Chart



Source: Bloomberg

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