



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 04 Jan 2011:	4,218.73	+ 3.52
Value T/O, net	Php 4,029 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 1,703 million	
Foreign Selling:	Php 1,513 million	

Regional performance

Dow Jones	: 11,691.18	+ 20.43
FTSE 100	: 6,013.87	+ 113.93
Nikkei 225	: 10,398.10	+ 169.18

Trading snapshot

Index Movers	Points
Aboitiz Equity	+6.27
Metro Pacific Investments	-3.28
Ayala Land	-3.07
ICTSI	+2.53
Alliance Global	-2.66

Index Out-performers	Up
Aboitiz Equity	2.56%
ICTSI	2.22%
DMCI Holdings	1.96%
JG Summit	1.61%
Filinvest Land	1.52%

Index Under-performers	Down
Lepanto Consolidated A	4.55%
Lepanto Consolidated B	4.40%
Metro Pacific Investments	3.13%
ABS-CBN	2.17%
Alliance Global	1.94%

Calendar

Jan 05	Dec `10 CPI, Inflation Rate
Jan 06	Nov `10 Producer Price Survey
Jan 07	PhilWeb Corp. SSM
Jan 07	Dec `10 Gross Int'l Reserves

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HEADLINES

Major indexes closed mixed as commodities slide

- The S&P and Nasdaq closed lower but the Dow was up on Tuesday (Jan 4) as copper, oil and other commodities slipped while fears of lower profits hit food retailers including Supervalu Inc (-6.3%), Safeway Inc (-3.8%), and Whole Foods Market (-3.4%). Meanwhile, minutes from the Federal Reserve's December policy meeting showed that officials felt the U.S. economic recovery was still weak enough to warrant monetary support from the Fed. Defensive sectors like utilities and telecoms also supported the market.

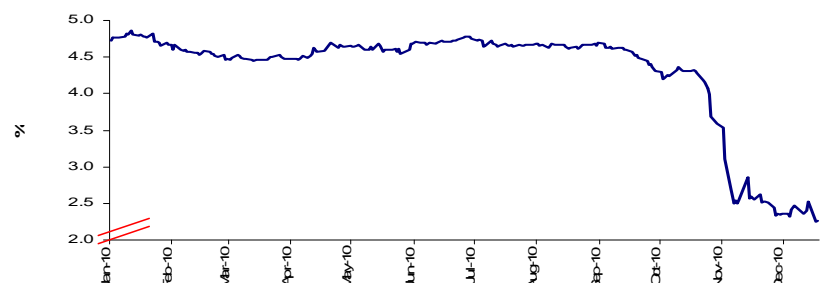
Meralco consumers to see lower rates in January 2011 (MER; P247.00)

- Manila Electric Co. (Meralco) announced that changes in the Generation, Transmission and Distribution charges this Jan 2011 will result in a reduction of around 27 centavos per kWh in consumers' electric rates. Lower average cost of power purchased from NPC, independent power producers and the Wholesale Electricity Spot Market will result in reduced Generation charges. Transmission charges will also go down because Meralco has completed the collection of its transmission cost underrecoveries. Meralco will also implement the new distribution, supply, and metering charges that were recently approved by the Energy Regulatory Commission, representing rates for Regulatory Year 2011.

FDC launches follow-on offering (FDC; P5.10)

- Filinvest Development Corporation (FDC) launched yesterday a follow-on equity offering of up to 2.5B FDC shares with an additional 15% over-allotment option. The primary offering will involve the sale of FDC shares by ALG Holdings Corporation (ALG) and a simultaneous subscription by ALG of an equivalent number of shares to be issued by FDC. Total proceeds from the 2.5B FDC shares will be used by FDC for land and hospitality business development, increase bank capitalization, investment in the infrastructure and utilities business and debt repayment. Public shareholding increases from approximately 6% to 29.5%. FDC management will embark on a 2-week global investor roadshow beginning Jan 5, 2011 and the transaction is expected to be completed by end of Jan 2011. UBS AG is acting as Sole Global Coordinator and Joint Bookrunner while JP Morgan Securities Ltd. is acting as Joint Bookrunner for the offering.

PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp.

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