



THE WEALTH VAULT

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MORNING NOTES

PSEi performance

PSEi Index 19 Jan 2011:	4,039.56	- 33.03
Value T/O, net	Php 3,988 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 1,743 million	
Foreign Selling:	Php 2,481 million	

Regional performance

Dow Jones	: 11,825.29	- 12.64
FTSE 100	: 5,976.70	- 79.73
Nikkei 225	: 10,557.10	+ 38.12

Trading snapshot

Index Movers	Points
Ayala Land	-10.91
Alliance Global	-7.53
Aboitiz Power	-7.23
Aboitiz Equity	-4.29
Manila Electric Co.	-3.59

Index Out-performers	Up
Manila Electric Co.	3.01%
First Phil. Holdings	1.56%
Globe Telecom	0.99%
SM Prime	0.93%
SM Investments	0.80%

Index Under-performers	Down
Alliance Global	5.76%
Aboitiz Power	5.03%
Lepanto Consolidated B	4.81%
Ayala Land	4.07%
Lepanto Consolidated A	3.00%

Calendar

Jan 25	Nov `10 External Trade Perf., MISSI
Jan 27	RFM Corp., JG Summit SSM
Jan 27	Island Info., Phil. Tobacco ASM
Jan 27	Highlights, Monetary Policy Issues

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HEADLINES

Banks, tech sector drag Wall Street

- The S&P 500 slid by over 1% on Wednesday (Jan 19) after Goldman Sachs (-4.7%) posted a 53% drop in profit as trading revenue tumbled and Wells Fargo (-2%) posted 4Q profit that missed estimates. American Express Co (-2.4%) also declined after it foresaw reduced 4Q earnings because of restructuring charges. The Nasdaq likewise fell more than 1% as Cree Inc (-14.5%) and rivals Rubicon Technology Inc (-7.7%) and Linear Technology Corp (-4.4%) reported weaker-than-expected sales, profit and current quarter outlook. Apple Inc (-0.5%) also slipped even after reporting a quarterly profit that beat expectations. International Business Machines Corp (+3.4%), which climbed on strong earnings, limited the Dow's loss.

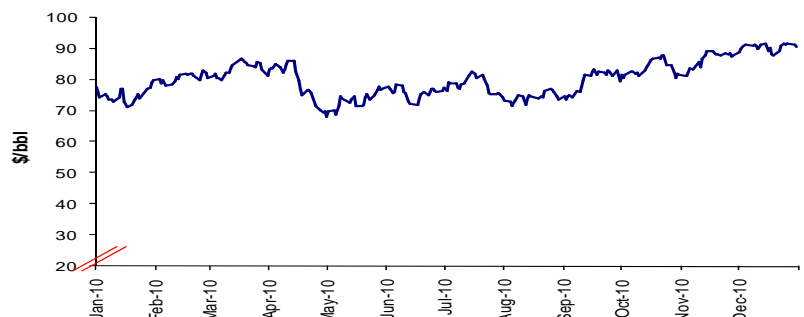
BoP surplus for 2010 surpasses target

- Bangko Sentral ng Pilipinas (BSP) preliminary data showed that the Philippines recorded a US\$1.225B balance of payments (BoP) surplus in Dec 2010, pushing the full-year BoP tally to a US\$14.403B surplus, more than double the US\$6.421B surplus in 2009 and higher than the BSP's 2010 target of US\$8.2B. BSP Governor Amando M. Tetangco, Jr. said that the BoP had topped expectations due mainly to strong exports and overseas Filipino (OF) remittances. He added that a review of BSP's projections for 2011 shows this upward trend would likely persist, even as the global rebalancing progresses. The BSP expects a BoP surplus of US\$1.9B in 2011.

Palace intervenes in auction of Pagbilao plant (AP; P28.30)

- The Aquino administration agreed to release money for priority projects in Pagbilao, Quezon in exchange for settling the National Power Corp.'s (Napocor) P6B unpaid realty taxes. Details of the settlement have yet to be ironed out. As a result, the local government of Pagbilao, Quezon will no longer auction the 750-megawatt (MW) Pagbilao coal-fired power plant on Jan 26. The auction would have undermined investor confidence in the Philippines. Earlier, the Supreme Court denied Napocor's appeal to exempt it from paying realty taxes. Therma Luzon, Inc., a unit of Aboitiz Power Corp., holds the independent power producer administrator (IPPA) contract for the Pagbilao power plant.

Nymex Crude 1-Yr Price Chart



Source: Bloomberg

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