



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 20 Jan 2011:	4,006.24	- 33.32
Value T/O, net	Php 2,465 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 2,505 million	
Foreign Selling:	Php 2,457 million	

### Regional performance

Dow Jones	: 11,822.80	- 2.49
FTSE 100	: 5,867.91	- 108.79
Nikkei 225	: 10,437.31	+ 38.12

### Trading snapshot

Index Movers	Points
Ayala Land	-9.21
SM Prime	-5.46
ICTSI	-4.94
PLDT	+3.65
Aboitiz Equity	+3.63

Index Out-performers	Up
Alliance Global	2.52%
ABS-CBN	2.22%
Aboitiz Equity	1.52%
Lepanto Consolidated B	1.01%
PLDT	0.56%

Index Under-performers	Down
ICTSI	4.43%
SM Prime	4.24%
Ayala Land	3.58%
Metro Pacific Investments	3.47%
Manila Electric Co.	2.85%

### 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

### Wall Street slides as tech, materials stocks weigh

U.S. stocks slipped on Thursday (Jan 20) as disappointment in tech (F5 Networks, -21.4%) and materials (Freeport-McMoRan, -3.7%) stocks' earnings and outlook outweighed positive jobs and housing market data supporting a strengthening recovery. Materials-related stocks including Alcoa (-0.5%) and Exxon Mobil (-0.6%) were also pressured by high China growth data, which rekindled fears of further credit tightening. Morgan Stanley (+4.6%) posted stronger-than-expected revenue, helping the banking sector rise modestly. In after-hours trade, Google Inc (+2.2%) rose after it reported better-than-expected 4Q net revenue and announced that co-founder Larry Page will replace Eric Schmidt in April as chief executive.

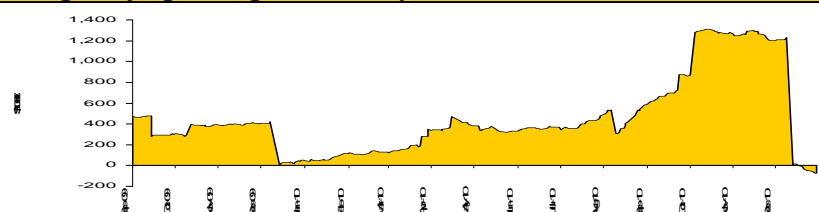
### Meralco may decrease capex budget if lower rates approved (MER; P266.20)

Manila Electric Co. (Meralco) president and chief executive Manuel V. Pangilinan said that the company may have to cut back its programmed capital expenditure of P11B per year if the Energy Regulatory Commission (ERC) approves slightly lower rates for the third regulatory reset covering Jul 2011 to Jun 2015 under the Performance-based Regulation scheme. In its draft determination, ERC proposes an average distribution charge of P1.4920 per kilowatt-hour (kWh), P1.4730/kWh, P1.4170/kWh and P1.449/kWh for the succeeding years until 2015, respectively. Meralco had proposed to collect an average distribution charge of P1.7056 per kWh, P1.7686/kWh, P1.8349, and P1.9036 in 2012, 2013, 2014 and 2015, respectively. Francis Saturnino Juan, ERC executive director and spokesman, said that the draft determination was not yet binding, and is still subject to public hearings.

### Alaska aims to double revenues by 2014 (AMC; P13.22)

Alaska Milk Corp. (AMC) President and Chief Executive Wilfred Steven Uytengsu, Jr. said that the company may increase prices of its products this year to protect margins amid higher raw materials costs. In the nine months that ending Sep 2010, AMC posted a 42% increase in profits to P1.41B from P993M in Sep 2009 on the back of higher sales volume and lower costs. The company is aiming to double revenues to P20B by 2014 through new product launches and aggressive marketing campaigns. In anticipation of higher demand this year, AMC spent a portion of its P500M budget to increase capacity and improve equipment. Mr. Uytengsu said the company does not need to raise cash this year given its strong cash flow and zero-debt status.

### Foreign Buying-Selling : 12-month period



Source: Bloomberg

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