



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 04 Feb 2011:	3,872.35	- 16.20
Value T/O, net	Php 1,806 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 948 million	
Foreign Selling:	Php 1,135 million	

Regional performance

Dow Jones	: 12,092.15	+ 29.89
FTSE 100	: 5,997.38	+ 14.04
Nikkei 225	: 10,543.52	+ 112.16

Trading snapshot

Index Movers	Points
PLDT	-6.25
Ayala Corp.	+2.99
Aboitiz Power	-2.17
SM Investments	+1.88
Alliance Global	-1.77

Index Out-performers	Up
Ayala Corp.	1.70%
First Phil. Holdings	0.90%
SM Investments	0.86%
BPI	0.28%
Globe Telecom	0.13%

Index Under-performers	Down
Lepanto Consolidated A	2.33%
Aboitiz Power	1.63%
China Bank	1.61%
Alliance Global	1.38%
Lepanto Consolidated B	1.14%

Calendar

Feb 07	Jan `11 Gross International Reserves
Feb 09	Dec `10 Dep. Corp. Survey, KB Loans
Feb 10	Dec `10 Merchandise Export Perf.
Feb 10	Monetary Policy Stance

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HEADLINES

Tech, consumer-related shares lift Wall Street

Major indexes posted new highs on Friday (Feb 4) as investors rotated from energy (-0.3%), materials and industrials into the consumer discretionary (+0.7%) and technology sectors. JDS Uniphase (+26.9%) posted strong earnings, helped by increasing demand for higher bandwidth in smart phones, tablets and other applications. This bolstered hopes for strong results on Wednesday from Cisco Systems (+0.6%). Aetna Inc (+12.5%) gave above-consensus forecast 2011 profit and increased its dividend, while Tyson Foods Inc (+5.7%) said quarterly earnings surged 86%. January's employment data had limited impact as U.S. employment rose by a far less-than-expected 36,000 jobs, but the unemployment rate fell to 9.0%.

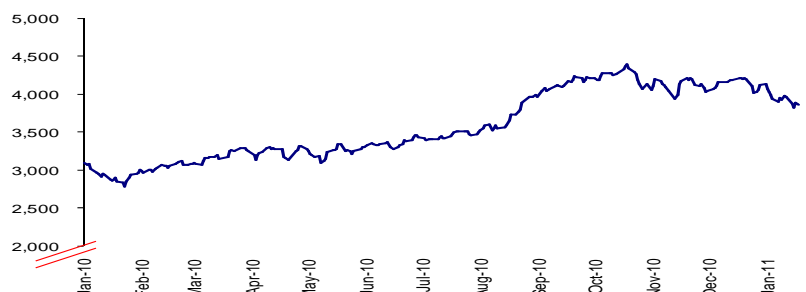
BSP sees no urgency in hiking key rates

Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco Jr. said that the country's inflation forecast would likely be adjusted upwards but would still fall within the target set by monetary authorities. The BSP has set an inflation target of 3% to 5% between 2011 and 2014 but sees inflation averaging 3.6% this year and 3% in 2012. The BSP is scheduled to hold its first 2011 policy setting meeting on Thursday. Inflation rose to a four-month high of 3.5% in Jan from 3% in Dec due to higher food and oil prices. Tetangco added that monetary authorities would continue to monitor developments including global commodity prices to determine any need to change its current policy stance.

RCBC 2010 net income increases by 28% to P4.25 billion (RCB; P27.45)

RCBC recorded an unaudited net income of P4.25B for 2010 (+28% YoY), resulting in a 14.07% Return on Equity and a 1.47% Return on Assets. Total revenues reached P19.2B (+18.7% YoY), with Net interest income of P10.8B higher by P566M as low-cost deposits went up to P120.0B (+14.7% YoY). Other operating income soared to P7.7B (+41.8% YoY), driven by commissions & other income (+63.8% YoY), trust fees (+21.7%), trading and foreign exchange gains (+48.8%), and service fees (+13.8%). Operating efficiency improved with a cost-to-income ratio of 55.9% in 2010 as against 60.8% in 2009. The bank's Capital Adequacy Ratio (CAR) stood strong at 17.77% while Tier 1 Ratio of 12.63% also exceeded the BSP's 6% requirement.

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange

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