



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 07 Feb 2011:	3,880.03	+ 7.68
Value T/O, net	Php 2,126 million	
52-week High	4,413.42	
Low	2,787.66	
Foreign Buying:	Php 1,096 million	
Foreign Selling:	Php 1,107 million	

Regional performance

Dow Jones	: 12,161.63	+ 69.48
FTSE 100	: 6,051.03	+ 53.65
Nikkei 225	: 10,592.04	+ 48.52

Trading snapshot

Index Movers	Points
SM Investments	+8.94
Aboitiz Equity	-5.61
BPI	+3.73
Alliance Global	+3.32
Manila Electric Co.	+2.97

Index Out-performers	Up
SM Investments	4.04%
Manila Electric Co.	2.97%
Alliance Global	2.62%
BPI	1.52%
Aboitiz Power	1.10%

Index Under-performers	Down
Megaworld Corp.	4.17%
Globe Telecom	2.92%
Aboitiz Equity	2.47%
China Bank	1.59%
Ayala Corp.	1.17%

Calendar

Feb 09	Dec `10 Dep. Corp. Survey, KB Loans
Feb 10	Dec `10 Merchandise Export Perf.
Feb 10	Monetary Policy Stance
Feb 10	GLO/ ALI 4Q `10 Results Briefing

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HEADLINES

Wall Street gains on M&A, earnings news

- The Dow and S&P rose to two-and-a-half-year highs on Monday (Feb 7) after news that Danaher Corp (+2.2%) agreed to buy Beckman Coulter Inc (+10%) for about \$6.8B and EnsCo Plc (-4.2%) said it would buy Pride International Inc (+15.7%) for about \$7.3B, while Loews Corp (+4.5%) reported better-than-expected profit. But AOL Inc (-3.4%) slid after announcing that it has agreed to buy The Huffington Post for \$315M. The S&P 500 broke through the 1,313 mark, leaving little technical resistance for stocks until the 1,400 level.

End-Jan 2011 GIR level rises to US\$63.6 billion

- The country's gross international reserves (GIR) as of end-Jan 2011 rose to US\$63.6B, higher by US\$1.2B compared to the end-Dec 2010 GIR of US\$62.4B. Foreign exchange inflows coming from proceeds of the National Government's (NG) peso-denominated global bonds issuance maturing in 2036, as well as the foreign exchange operations and income from investments abroad of the BSP, contributed to the appreciable increase in the reserves level. These inflows were partially offset, however, by payments for maturing foreign exchange obligations of the NG and revaluation losses on the BSP's gold holdings given the decrease in gold prices.

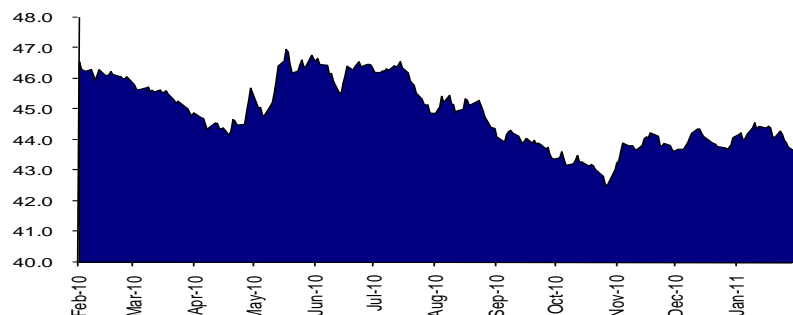
Meralco to raise Feb 2011 generation rates (MER; P228.60)

- Manila Electric Co. (Meralco) has announced a P0.118 per kilowatt-hour (kWh) increase in its generation charge for Feb 2011 to P4.86/kWh, citing costlier electricity sourced from independent power producers (IPPs). The higher generation charge means that households consuming 200 kWh per month, which make up a third of Meralco's clients, will see an increase of P23.6 in their electricity bills.

Empire East offers P14B for FTI property (ELI; P0.71)

- Empire East Land Holdings, Inc. (ELI) has submitted an offer to the Department of Finance to acquire the state-owned Food Terminal, Inc. (FTI) property in the Taguig Area. Subject to the results of due diligence and in accordance with privatization guidelines to be issued by the Department of Finance, Empire East is willing to acquire the FTI property for a consideration of P14B.

Php versus US\$: 1-Year Price Chart



Source: Philippine Dealing and Exchange Corp.

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