



THE WEALTH VAULT

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10 Mar 2011

MORNING NOTES

PSEi performance

PSEi Index 09 Mar 2011:	3,926.86	+ 27.99
Value T/O, net	Php 2,068 million	
52-week High	4,413.42	
Low	3,062.17	
Foreign Buying:	Php 1,868 million	
Foreign Selling:	Php 1,762 million	

Regional performance

Dow Jones	: 12,213.09	- 1.29
FTSE 100	: 5,937.30	- 37.46
Nikkei 225	: 10,589.50	+ 64.31

Trading snapshot

Index Movers	Points
Ayala Land Inc.	+5.46
PLDT	+5.21
Ayala Corp.	+4.48
Metrobank	+4.38
SM Investments Corp.	-3.06

Index Out-performers	Up
Filinvest Land Inc.	4.63%
Ayala Corp.	2.67%
Metrobank	2.35%
Ayala Land Inc.	2.14%
Megaworld	1.90%

Index Under-performers	Down
ABS-CBN	2.79%
SM Investments Corp.	1.28%
Aboitiz Equity Ventures	1.05%
Lepanto Mining B	1.05%
Aboitiz Power	0.96%

Calendar

Mar 10	Jan `11 Merchandise Exports Perf.
Mar 11	GMA7/ AC Results Briefings
Mar 11	PNX/ DFNN ASM
Mar 11	Jan `11 Dep. Corp. Survey/KB Loans

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HEADLINES

Tech shares, oil drag Wall Street

- Texas Instruments (-3.1%) led Nasdaq losers on Wednesday (Mar 9) after giving a disappointing earnings outlook. Moreover, network equipment maker Finisar (-38.5%) dragged peers including JDS Uniphase (-16.7%) after it forecast a dismal 4Q. But IBM (+2.2%), which reaffirmed its 2015 earnings target, helped buoy the Dow after analysts raised their target price on the stock. Ongoing turmoil in Libya raised Brent crude by \$2.88 to \$115.94 a barrel, weighing on the broader market. Inflationary and growth concerns fanned by elevated crude oil prices dragged copper (-3%) and miners (Freeport McMoran, -3.3%).

IFC acquires 7.2% Stake in RCBC (RCB; P27.50)

- Rizal Commercial Banking Corporation (RCBC) and the International Finance Corporation (IFC) have reached an agreement whereby IFC will acquire an approximately 7.2% stake in RCBC common shares for total consideration of over P2.1B (approximately US\$49M). Pro forma for the acquisition of shares by the IFC, RCBC's 12/31/2010 Consolidated Capital Adequacy Ratio (CAR) would increase from 17.77% to 18.51% and RCBC's Tier 1 CAR would increase from 12.63% to 13.41%. The IFC, a member of the World Bank Group, helps finance individual private enterprise projects that contribute to the economic development of the country or region where the project is located. It is considered as the World Bank Group's investment bank for developing countries.

Pacific Online posts 2010 net income (LOTO; P17.10)

- Pacific Online Systems Corp. (LOTO) said net income in 2010 jumped 63% YoY to P430M on revenues of P1.25B (+30% YoY). The figure, which includes non-recurring financial gains of P157.8M, was higher than its original P300M full year forecast. For 2011, LOTO expects to surpass its 2010 performance via the continuous roll-out of terminals nationwide, introduction of new games, intensified marketing and wider distribution of instant ticket sales and lottery outlets. The board of Pacific Online also authorized its chairman and president Willy Ocier to study the possibility of investing in other gaming-related ventures including casinos. Ocier said that Pacific Online plans to invest in the P20B casino complex of affiliate Belle Corp. along the Manila Bay reclamation area. Funding requirements and the deal's structure have yet to be finalized. Ocier, who also serves as Belle's vice chairman, added that Pacific Online has P700M in cash and will borrow if necessary.

ABS-CBN says 2010 profit higher than P3 billion guidance (ABS; P43.50)

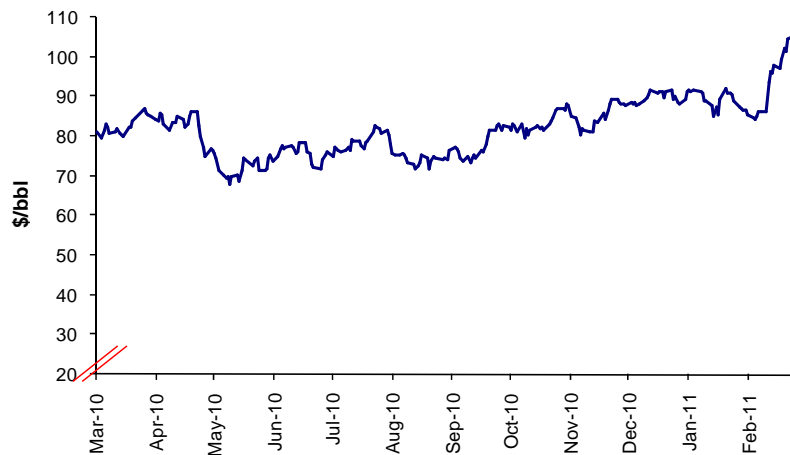
- ABS-CBN Corp. chairman and chief executive officer Eugenio Lopez III said that the company beat its 2010 net income guidance of P3B, and may reach or even exceed this level in 2011, with higher contributions from Skycable and ABS-CBN Global. However, advertising revenues for 1Q 2011 are likely to be lower than 1Q 2010, which included political ads amounting to P1.04B. ABS implemented its yearly advertising rate hike last month. The company is also keeping a close watch on production costs. Meanwhile, Lopez added that ABS is not interested to bid for the government's stake in RPN9 and IBC3, citing legal limitations.

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PSE expects more listings following SEC approval of new set of rules

- The Securities and Exchange Commission (SEC) approved a tighter set of rules for listing by way of introduction last week. One of the key features of the amended rules requires an applicant to determine the initial listing price of its securities on the listing date which is duly supported by a fairness opinion prepared by an independent and reputable firm. Philippine Stock Exchange (PSE) president and chief executive officer Hans B. Sicat said that the guidelines for fairness opinions and valuation reports, is a step toward enhancing investor confidence and protection. Thus, the PSE is optimistic of more listings on the bourse. Listing via introduction means a company can apply for listing without immediately holding an initial public offering. The PSE temporarily suspended the rules in Feb 2010 to pave the way for its thorough review to address several issues—including the method in determining valuation. The PSE will announce soon the effectivity of the new guidelines.

Nymex Crude 1-Yr Price Chart

Source: Bloomberg