



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

18 Mar 2011

MORNING NOTES

PSEi performance

PSEi Index 17 Mar 2011:	3,818.38	- 61.06
Value T/O, net	Php 2,535 million	
52-week High	4,413.42	
Low	3,062.17	
Foreign Buying:	Php 2,142 million	
Foreign Selling:	Php 2,164 million	

Regional performance

Dow Jones	: 11,774.60	+ 161.29
FTSE 100	: 5,696.11	+ 97.88
Nikkei 225	: 8,962.67	- 131.05

Trading snapshot

Index Movers	Points
PLDT	-14.59
Ayala Land Inc.	-6.14
SM Prime Holdings	-5.46
Alliance Global Inc.	-3.76
Bank of the Philippine Islands	-3.73

Index Out-performers	Up
Universal Robina Corp.	1.49%
DMCI Holdings	1.15%
Philex Mining	0.14%
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Index Under-performers	Down
SM Prime Holdings	4.09%
Megaworld	3.24%
ICTSI	2.99%
Metro Pacific Investments	2.95%
Alliance Global Inc.	2.86%

Calendar

Mar 18	PEP ASM
Mar 18	Feb `11 BOP Position; BSP final GIR/NIR
Mar 25	FLI `10 Results Briefing
Mar 25	Jan `11 External Trade Performance

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HEADLINES

US stocks rebound on low volume

US stocks rebounded on Thursday (Mar 18) but investors fear that this is just short lived. Natural resource stocks helped drive the rebound with Cliff Natural Resources and Chevron climbing to US\$88.60 (+5.8%) and US\$102.24 (+2.7%) respectively. The S&P energy index also rose 3.1%. Meanwhile, strong revenue forecasts on Fedex Corp raised the stock's price to US\$87.89 (+3.1%). Tensions in the Middle East caused oil prices to soar with Brent crude gaining US\$4.40 to US\$115 a barrel. Heavy losses on the previous days led to bargain hunting although volume was still low at just 7.95B shares traded on the NYSE. Puts outpaced calls in the S&P by a ratio of 2.17:1, higher than the average of 1.93 reported by Trade Alert. The S&P is still down 2.3% for the week. The CBOE Volatility index fell 10.3% but volatility could still rise as the quadruple witching period ends. The Japan crisis aside, a six month rally before the recent declines in US stocks already prompted expectations of a correction in the market.

FLI posts 2010 net income of P2.952B (FLI; P1.08)

Filinvest Land, Inc. (FLI) reported a net income of P2.952B (+46% YoY) for 2010 from total revenues amounting to P8.246B (+45% YoY). Bulk of the revenues came from real estate sales (P5.652B, +54% YoY), while rental income generated P1.411B (+19% YoY). The reported net income includes a one-time gain from business combination of P526M from FLI's purchase of a former partner's 40% stake in Northgate Cyberzone and a portion of Timberland Heights. Nonetheless, FLI's recurring net income still grew significantly by 20% YoY to P2.426B. Sales take-up generated in 2010 is also up at P10B (+42% YoY). FLI earlier announced that for 2011, it will double its capital expenditures to P12B and plans to launch P13B (+25%) worth of projects.

EDC net income up 31% YoY in 2010 (EDC; P6.17)

Energy Development Corp. (EDC) posted a net income of P4.4B (+31% YoY) for 2010, attributable primarily to subsidiary Green Core Geothermal Inc. (GCGI), which operates the Tongonan and Panlipon geothermal power plant in Leyte and Negros Oriental, respectively. Consolidated steam and electricity revenues rose to P24.2 (+26.9% YoY) even as volume decreased by 8.1% to 7,548.6 GWh. Electricity sales accounted for 94.6% (P22.9B) of total gross revenues. from the 6,883 GWh sold. EDC's hydroelectric power plants in Pantabangan, Nueva Ecija on the other hand, contributed P2.1B (+71.5% YoY) in revenues from 348.5GWh sold. . Recurring net income of P7.2B was slightly lower than the previous year's P7.3B mainly due to higher depreciation expense following the scope-out of IFRIC 12, an accounting standard that covers service concession arrangements.

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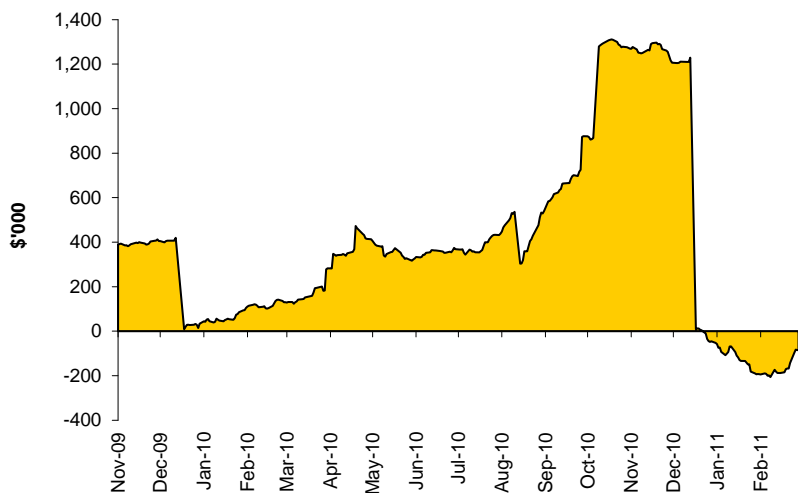
Megaworld 2010 net income hits P5.1 B (MEG; P2.09)

- Megaworld Corporation announced that its net income for the full year 2010 hit a record P5.1B (+25% YoY), on continued strength of its residential real estate sales and BPO office rental portfolios. Consolidated revenues amounted to P20.5B (+16% YoY). Rental income from Megaworld’s BPO office and retail developments grew to P2.7B (+35% YoY). Megaworld remains in a strong net cash position, with cash and cash equivalents totaling P22B. As of end-2010, the company had about 384,000 sqm of office space in its portfolio. It expects to complete another 78,000 sqm of space this year. Megaworld remains very bullish about the prospects of the Philippine economy, as well as the Philippine real estate industry. The company currently has 7 ongoing projects within Metro Manila and several residential developments within the Makati Central Business District and San Juan.

Ayala Corp. acquires stake in wind energy firm (AC; P349.00)

- Ayala Corp. (AC), through 100%-owned subsidiary Michigan Power Inc., acquired a 50% effective stake in Northwind Power Development Corporation. Northwind owns a 33 MW wind farm in Ilocos Norte. This is part of AC’s plan to enter the power sector after its recent joint venture with Mitsubishi Corporation on solar power. AC aims to build a 1,000 MW portfolio of power generation assets over the next 5 years, with focus on wind, solar and hydro electric power.

Foreign Buying-Selling : 12-month period



Source: Bloomberg