



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

06 Apr 2011

## MORNING NOTES

### PSEi performance

PSEi Index 05 Apr 2011:	4,167.09	- 42.34
Value T/O, net	Php 3,944 million	
52-week High	4,413.42	
Low	3,073.71	
Foreign Buying:	Php 1,961 million	
Foreign Selling:	Php 2,164 million	

### Regional performance

Dow Jones	: 12,393.90	- 6.13
FTSE 100	: 6,007.06	- 9.92
Nikkei 225	: 9,615.55	- 103.34

### Trading snapshot

Index Movers	Points
PLDT	-12.46
Alliance Global Inc.	-7.94
SM Investments Corp.	-5.15
Energy Development Corp.	-2.87
Ayala Land, Inc.	-2.72

Index Out-performers	Up
Lepanto Mining B	5.56%
Robinsons Land Corp.	4.75%
Lepanto Mining A	1.01%
Megaworld Corp.	0.89%
Banco De Oro	0.56%

Index Under-performers	Down
Alliance Global Inc.	6.00%
First Philippine Holdings	2.38%
Metro Pacific Investments	2.31%
SM Investments Corp.	2.02%
PLDT	2.00%

### Calendar

Apr 06	AT `10 Results Briefing
Apr 07	Mar `11 GIR/Rediscount Rate
Apr 08	Feb `11 KB Loans /Dpst Corp. Survey
Apr 11	MWC ASM

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## HEADLINES

### US stocks end flat for the second day after Fed meeting

■ US stocks ended relatively flat on Tuesday (Apr 05) with the S&P still failing to break the 1,344 key resistance after the latest Federal Reserve meeting showed that members are split over how soon to reverse course on its monetary policy. Volume remained light at just 7.03B shares traded. Commodity stocks like Alcoa (+2.8%), Newmont Mining (+4.4%), and Dow Chemical Co.(+1.3%) rose as investors anticipate more increases in commodity prices. Tech stocks rose after Texas Instruments announced its plans to buy National Semiconductor late Monday for US\$6.5B. Apple (-0.7%) fell however after the Nasdaq OLX group announced that it will cut Apple's weight in the Nasdaq-100 from 20% to 12%. Microsoft (+.90%), Cisco (+.94%) and Intel (+1.13%) on the other hand benefitted from the announcement as they will be weighed more after the implementation on May 2.

### Inflation remains at 4.3% for March

■ BSP reported that inflation was steady at 4.3% for March yesterday - within the forecast of 4% to 5% forecast and lower than what analysts expect. Core inflation on the other hand decreased from 3.6% in February to 3.4% last month. The BSP said that the inflation came mainly from food, transportation and fuel prices. Despite the lower than expected number, the BSP is still not ruling out more interest rate hikes for the year.

### Budget deficit down for February

■ Finance Secretary Cesar Purisima reported that the budget deficit for February was down to P21.5B from last year's P33.2B. This brings the country's deficit level to P8.1B for the first 2 months of the year, lower than the P52.3B ceiling set for the period and also lower than the P70.3B recorded for the same period last year. This is also just 7% of the P112B ceiling set for the year's first quarter.

### PNB reports 69% increase in net income for 2010 (PNB; P59.90)

■ PNB announced 69% increase in Net Income for 2010 to P3.5B, buoyed by a strong growth in Non-Interest Income. Trading gains more than doubled in 2010 to P3.0B as the bank increased its trading assets by 86%. Loans were up by 10%, resulting to a relatively flat Net Interest Income. The bank also noted that its asset quality ratios remained healthy as NPL Ratio ended at 4.1% and NPL Cover ended at 68.4%. The bank remained adequately capitalized, with a CAR of 19.41%.

■ *As with most banks, 2010 was a banner year for PNB as Net Income was buoyed by extraordinarily strong Trading Gains. Moving forward, PNB would have to compensate for lower trading gains this year by improving Net Interest Income and Fee Income. Further improvements in the bank's asset quality, particularly ROPA disposal, should also be monitored closely.*

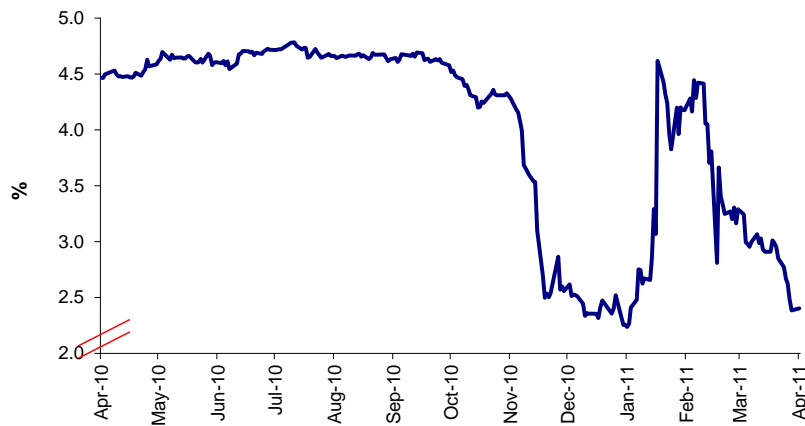
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**AGI sells 550.1M treasury shares (AGI; P11.28)**

- AGI raised P9.73B from the re-issuance of 550.1M in treasury shares through a private placement, at a price of P11.16 per share. 321.9M in secondary AGI shares held by Megaworld, AGI's property arm, were also sold via the placement, at the same price. AGI said the new funds will be used for the expanding its tourism businesses to other locations.
- The re-issued treasury shares amount to 5.7% of outstanding AGI shares before the placement. Since the announcement, AGI's share price fell 6%, to P11.28 roughly equal to the dilution from the re-issuance.

**PDS 1-Year Tenor Yield: 12-month period**



Source: Philippine Dealing and Exchange Corp