



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 06 May 2011:	4,219.07	- 29.61
Value T/O, net	Php 4,251 million	
52-week High	4,413.42	
Low	3,073.71	
Foreign Buying:	Php 1,459 million	
Foreign Selling:	Php 2,667 million	

Regional performance

Dow Jones	: 12,638.70	+ 54.70
FTSE 100	: 5,976.77	+ 56.79
Nikkei 225	: 9,859.20	- 145.00

Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	-10.84
PLDT	-8.29
Lepanto Mining A	+5.62
Metrobank	-4.35
Aboitiz Power	-4.07

Index Out-performers	Up
Lepanto Mining A	12.50%
Lepanto Mining B	11.54%
Universal Robina Corp.	2.57%
Philex Mining	2.50%
JG Summit Holdings	2.40%

Index Under-performers	Down
Megaworld	4.95%
Aboitiz Equity Ventures	4.21%
Robinsons Land Corp.	3.43%
Aboitiz Power Corp.	2.82%
ABS-CBN	2.38%

Calendar

May 9	MPI 1Q`11 results briefing
May 10	Mar `11 Merchandise Export Perf.
May 10	Feb `11 Foreign Direct Investments
May 11	FGEN, SMP, URC, RLC ASM

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HEADLINES

US stocks rebound after good jobs report

US stocks rebounded on Friday (May 06) after four straight days of losses. All three major indices closed slightly higher with the Dow and the S&P gaining 0.4% and the Nasdaq gaining 0.5% although all three indices still ended the week down more than 1%. Job creation in April that topped expectations spurred positive investors' sentiments helping salvage a down week for US stocks. The Labor Department reported that the economy added 244,000 jobs last month, significantly higher than the 185,000 expected by analysts. Unemployment rate however increased slightly from 8.8% to 9% due to more people resuming to hunt for jobs. The strong job growth report also lifted the dollar and reversed falling oil prices. Industrial companies led gains with Caterpillar Inc. and Boeing Inc. rising 0.87% and 1.1% respectively. Fluor Corp. gained the highest percentage closing 7.9% higher after posting quarterly results that beat analysts' estimates.

Filinvest Land Inc. net income up 14% YoY for 1Q`11 (FLI; P1.24)

Filinvest Land Inc. reported that its net income for 1Q `11 reached P620M, 14% higher than recorded on the same period in 2010. Total revenues also gained 20% YoY, reaching Php1.933B. Real estate sales amounted to P1.357B, +26% YoY; while rental income amounted to P359M, +13% YoY. Total assets of the company also increased 10% more than recorded at the end of 2010. FLI recently announced that it is more than doubling its capital expenditures for 2011 which it expects to finance through a combination of internally generated funds and borrowings.

Aboitiz Power net income at P5.1B for 1Q`11, -31% YoY (AP; P29.25)

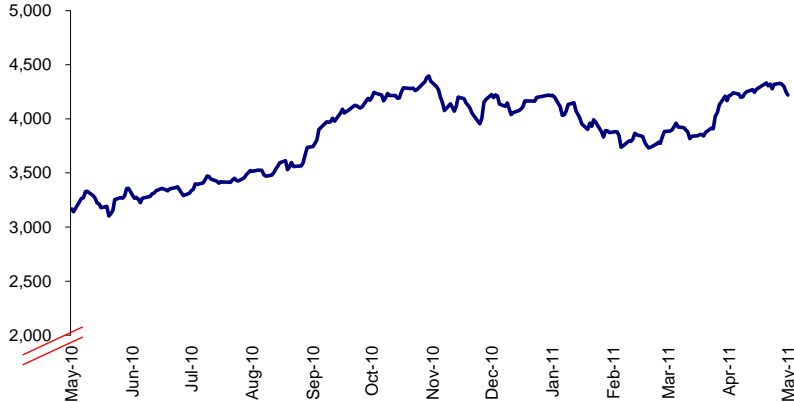
AP reported Net Income of P5.1B (-31% YOY) and Core Net Income of P4.7B (-34%) for 1Q2011. Even as AP's Net Income attributable to its distribution business rose to P454M (+107% YOY), its Net Income from the generation business declined to P4.9B (-35% YOY). The decline in the earning capacity of its generation business was caused by the significant decline in WESM prices YOY, from P8.1 / mwh in 1Q2010 to just P2.7 / MWh in 1Q2011. Energy sales were also lower at 2,168 GWh (-10% YOY) mainly due to lower sales to the spot market, as the industry experienced fewer capacity outages in 1Q2011. Contracted energy sales increased to 1,471 GWh (+18% YOY), likewise contributing to lower average selling prices for AP's various plants.

AP's results should be taken under the context that 1Q2010 was a spectacular quarter in terms of Net Income, driven mainly by the astronomical spike in WESM prices. The high base effect of 1Q2010, lower capacity sales, lower energy sales and the shift to contracted energy sales will lead to a more normalized earnings level for AP in 2011. Moving forward, AP plans to increase contracted energy sales and contracted capacity to manage the volatility of its earnings profile. Likewise, with high cash levels at hand, it can actively pursue rehab and greenfield projects to increase its generation capacity over the next few years.

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PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange