



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

26 May 2011

MORNING NOTES

PSEi performance

PSEi Index 25 May 2011: 4,190.98 - 36.10
 Value T/O, net Php 2,887 million
 52-week High 4,413.42
 Low 3,073.71
 Foreign Buying: Php 1,242 million
 Foreign Selling: Php 3,038 million

Regional performance

Dow Jones : 12,394.66 + 38.45
 FTSE 100 : 5,870.14 + 11.73
 Nikkei 225 : 9,422.88 - 54.29

Trading snapshot

Index Movers	Points
Ayala Land Inc.	-9.40
Alliance Global Inc.	-6.22
Bank of the Philippine Islands	-5.62
Energy Development Corp.	-5.11
Metrobank	-5.01

Index Out-performers	Up
Universal Robiina Corp.	4.01%
Meralco	2.72%
Megaworld Corp.	2.72%
Filinvest Land	2.52%
Lepanto Mining A	2.50%

Index Under-performers	Down
Alliance Global Inc.	5.01%
Ayala Land Inc.	3.52%
Energy Development Corp.	2.79%
SM Prime Holdings	2.52%
Metrobank	2.51%

Calendar

May 26 MRAY, BKD, AB ASM
 May 27 FDC, MPI, BDO, UBP ASM
 May 30 CMT, BLFI, DGTL, FPH ASM
 May 31 PNB, MER, SB ASM

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HEADLINES

US stocks continue downtrend as Europe's situation struggle for resolution

US stocks rebounded from a losing streak on Wednesday (May 25) as oil prices recover slightly. All three major indices were up with the Nasdaq gaining 0.6% and the S&P and the Dow each gaining 0.3%. Recent underperformers led the rally although trading volume was light at 6.69B shares traded - leading analysts to believe that the rebound is not strong enough to suggest a bottom. Worries on Greece's debt crisis still persist as there is still no clear solution to the situation. Analysts believe that Greece might default without restructuring its debt. Reports from the Japanese government that exports fell 12.5% on April after the effects of the Earthquake also added to investors' negative outlook.

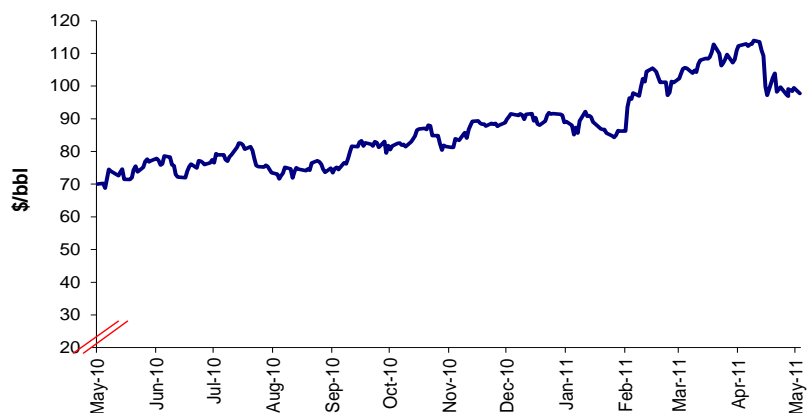
ERC - Renewable Energy sources might push energy prices higher

The Energy Regulatory Commission warned that the entry of renewable energy investors into the power industry will result in higher electricity rates as RE sources are more expensive than conventional power generated from coal, oil, natural gas and crude oil power plants. The ERC calculated that energy generated from wind costs P10.37 per kWh, while energy produced from ocean waves and sunlight costs P17.65 and P17.95 per kWh respectively. The ERC said that higher electricity prices for the country is unacceptable considering the Philippines already have the second highest rates in Asia next to Singapore. The ERC suggests the exception of electricity prices from VAT if renewable energy projects will push through.

4-year T-bond yields fall on high reported budget surplus for April

The yield of 4-year treasury bonds fell after the auction on Tuesday after reports of high budget surplus in April. Rates fell 84.3 basis points to 5.213% from March 19, 2009 when the tenor was last issued. The P26.26B budget surplus reported by the Bureau of Treasury on Monday helped spurred good investor sentiment, leading tenders from the issued bonds to be about four times oversubscribed.

Nymex Crude 1-Yr Price Chart



Source: Bloomberg

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