



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

27 Jul 2011

MORNING NOTES

PSEi performance

PSEi Index 26 Jul 2011:	4,465.87	- 14.63
Value T/O, net	Php 3,157 million	
52-week High	4,515.57	
Low	3,371.10	
Foreign Buying:	Php 1,474 million	
Foreign Selling:	Php 1,640 million	

Regional performance

Dow Jones	: 12,501.30	- 91.50
FTSE 100	: 5,929.73	+ 4.47
Nikkei 225	: 10,097.70	+ 47.71

Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	-7.45
Aboitiz Power Corp.	-2.36
Bank of the Philippine Islands	-2.10
SM Prime Holdings	-2.10
Jollibee	-2.09

Index Out-performers	Up
Globe Telecom	2.00%
Philex Mining	1.04%
ICTSI	0.92%
Lepanto Mining A	0.88%
Energy Development Corp.	0.74%

Index Under-performers	Down
Aboitiz Equity Ventures	2.50%
Jollibee	2.16%
SM Prime Holdings	1.55%
Aboitiz Power Corp.	1.53%
Universal Robina Corp.	0.85%

Calendar

Jul 27	DMC, MIC ASM
Jul 28	FJP, MHC ASM
Jul 28	Monetary Policy Stance Press Release
Jul 29	I, LR, T, APO ASM

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HEADLINES

US stocks close lower as the White House threaten to veto debt legislations

US stocks continue losing ground as a senior official from the White House threatened to veto debt legislations. All three major stock indices ended red again with the Dow declining the most at 0.7%. The S&P and the Nasdaq closed 0.4% and 0.1% lower respectively. The impasse in US's borrowing limit continue to rattle investors after the White House said yesterday that it would object to a Republican plan to raise the debt limit by just US\$1T. The Republican's plan will require the debt issue to be voted again next year. Stocks fell further after the White House threatened to veto the legislation of the House of Representatives. In specific companies, Amazon rose 6% after the bell after reporting a 51% growth in revenues. Tech stocks were also up after Broadcom rose its forecast. 3M fell 5.4% after reporting that the disaster in Japan might have considerable impact in their results. Netflix also declined 5.2% after missing analysts' expectations. UPS were also one of the decliners, falling 3.3% after warning that uneven economic environment might have hurt its results

Philippines' import growth slows to 1.6% in May

The NSO reported yesterday that the country's total merchandise exports for May were estimated at US\$4.888B representing only a 1.6% growth from the same period in 2010. This is also down 11.1% from the P5.497B recorded in the previous month. This is the slowest imports have grown since November 2009 suggesting that the manufacturing sector and exports are losing some traction.

Peso hits 3-year high amid global, US economy hurdles

The Philippine peso strengthened against the dollar to a 3-year high yesterday as it gained 16.50 centavos to close at 42.225 to a US dollar. Trading volume was heavy as the currency hit an intraday high of P42.21. This is the highest level since the Peso closed at P42.17 to a dollar last April 29, 2008. Economists attribute the recent strengthening of the Peso to a general weakening of the dollar against global currencies due to the ongoing debt issues, prompting investors to shift their money to emerging markets. The recent Eurozone problems also might have added to the recent strengthening of Asian currencies.

Union Bank approves call option on P1.287B Unsecured Subordinated Debt

Union bank informed the PSE that its Board had approved to exercise the call option on the P1.287B Unsecured Subordinated Debt on September 26, 2011. The Tier 2 note was initially issued by the former International Exchange Bank last March 23, 2006 with a maturity date on September 24, 2016 and a coupon rate of 9.5% per annum. "The Board also approved for the Bank's Treasury Group to give prior notice of its exercise of the Call Option and redemption of all of the outstanding Notes amounting to P1.287 B by paying the Noteholders the Call Option amount on the Call Option Date."

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Semirara hikes profit by 80% for 1H `11

- Semirara Mining reported that net income for the first half of the year grew 80%. Profits grew to P4.58B for the first six months of 2011 from P2.55B last year. Consolidate revenues reached P15.97B, an increase of 23% from last year. Semirara attributes the strong results to higher coal sales and prices.

MER in talks with power generation companies to boost output by 2,400 MW

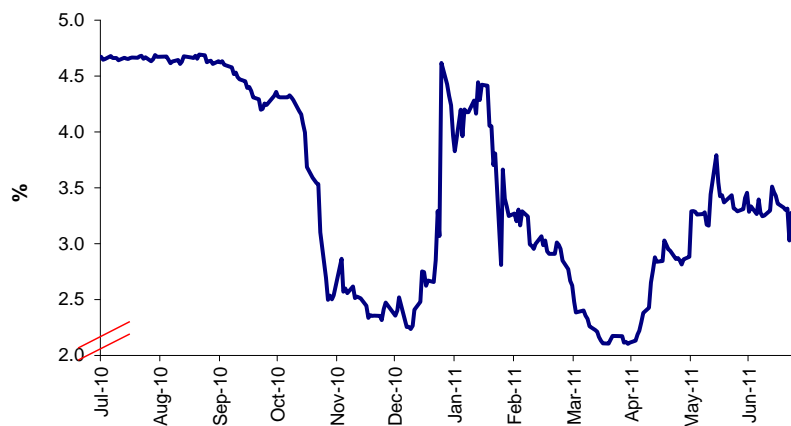
- Meralco confirmed reports yesterday that the company is in discussion with power generation companies to increase its power generation capacity anywhere between 1,800 to 2,400 megawatts. The company is aiming to augment the Luzon grid by 2014 and San Miguel Energy is one of the groups the company is in talks with. The increase in power generation capacity is on top of the 600MW coal-fired power plant of RP Energy, Inc., which is a venture between Meralco, AP, and TCIC.

Globe Telecom expects more partnerships with its mobile banking service

- G-Xchange president Paolo Eugenio Baltao told reporters in the sidelines of the launch of its mobile banking partnership with PSBank that a lot more banks are interested to partner with them. G-Xchange is a wholly-owned subsidiary of Globe Telecom which is the company's mobile phone commerce branch. The recent partnership with PSBank allows Globe users to engage in financial transactions using their mobile phones by using their GCASH wallet. In an earlier interview by BusinessWorld, Baltao said that current transactions being coursed through Globe's GCASH service amounts to more than US\$100M in a month. GCASH currently has roughly one million active users.

Alliance Select stock rights offer oversubscribed by almost half

- Alliance Select Foods disclosed yesterday that the company's recently concluded P272.27 million stock rights offer was oversubscribed by P124.87M. The excess amount will be refunded to shareholders. In a previous disclosure, the company said that proceeds of the stock rights offer will be used to partially fund the acquisition of Spence & Co.; a US based smoked salmon processor. The acquisition will cost FOOD about US\$8.5M or P365M.

PDS 1-Year Tenor Yield: 12-month period

Source: Philippine Dealing and Exchange Corp