



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 01 Aug 2011:	4,550.53 + 46.90
Value T/O, net	Php 3,586 million
52-week High	4,550.53
Low	3,371.10
Foreign Buying:	Php 1,905 million
Foreign Selling:	Php 1,720 million

Regional performance

Dow Jones	: 12,132.50	- 10.75
FTSE 100	: 5,774.43	- 40.76
Nikkei 225	: 9,854.97	- 110.04

Trading snapshot

Index Movers	Points
Bank of the Phil. Islands	+6.07
Metrobank	+5.68
Ayala Corp.	+5.25
Alliance Global Inc.	+4.82
Ayala Land Inc.	+4.68

Index Out-performers	Up
Lepanto Mining A	4.42%
Alliance Global Inc.	3.63%
Lepanto Mining B	3.28%
Robinson Land Corp.	3.01%
Ayala Corp.	2.76%

Index Under-performers	Down
Security Bank	0.92%
Megaworld Corp.	0.91%
Manila Water Company	0.30%
Aboitiz Power	0.15%
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Calendar

Aug 2	TEL, GMA 2Q`11 results briefing
Aug 4	MPI 2Q `11 results briefing
Aug 5	Jul `11 CPI
Aug 5	DHC, UPM ASM

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HEADLINES

US stocks fall on debt deal uncertainties and weak manufacturing data

■ US stocks closed lower on Monday (Aug 1) as uncertainties in the debt deal and weak manufacturing data from ISM erased a strong opening of stocks. All three indices experienced declines with the S&P and the Nasdaq falling 0.4% each while the Dow closed 0.1% lower. Investors remained concerned about the direction of the economy as a report from the Institute of Supply Management said that US manufacturing barely grew last month. The ISM manufacturing report is only one of many economic data that are scheduled to be released this week. The sluggish economic growth and weak manufacturing data put doubt on what Fed Chairman Ben Bernanke and many analysts are expecting – stronger economic performance in the second half of the year. Stocks earlier in the day traded stronger as the US government announced a debt deal that would raise the debt limit by US\$2.1 trillion. The deal also includes a cut of federal spending by US\$2 trillion in a span of 10 years. The House of Representatives already approved the bill which the Senate is scheduled to vote on Tuesday.

PLDT, JGS agrees to extend closing date of merger deal

■ PLDT and JG Summit announced yesterday that they have reached an agreement to extend the closing date of the latter's sale of 51.55% stake in Digital to the former from July 30, 2011 to Aug 26, 2011. PLDT Chairman Manuel V. Pangilinan pointed out that the regulatory process, which started in April, has taken longer than (they) have expected and that both PLDT and JGS remain unchanged in their standing that the general public and Sun subscribers stand to benefit from the proposed PLDT-Digital merger deal. Both parties are currently awaiting approval from NTC to approve the sale after which both companies will then seek SEC's and PSE's approval.

BPI posts 12% hike in net profit for 1H`11

■ Bank of the Philippine Islands disclosed that the bank had grown its net profit by 12% to P6.2B for the first half compared to a year ago. Profits grew 18% to P3.3B for the second quarter while revenues jumped 15% amidst increases from net interest (+12% YoY) and non interest (+7% YoY) incomes. ROE was 15.3% and return on assets was 1.6%.

SMPH profits up by 14% to P4.27B

■ SMPH announced that it had managed a better than expected 14% increase in net income from P3.76B to P4.27B for the first six months of the year. Revenues reached P12.71B, accounting for a 12% increase YoY. EBITDA grew 12% while EBITDA margin was at 68%. SMPH attributes the strong results from the opening of new Philippine malls in 2010, strong performance of its malls in China, and lower borrowing costs as a result of lower interest rates and better debt management. Rental revenue increased 15% to P10.92B although cinema sales dipped slightly from P1.37B to P1.30B due to low turnout of blockbuster movies. Operating expenses rose 11% to P5.92B mainly due to an increase in administrative expenses. Income from operations on the other hand increased 13% to P6.79B from P5.92B.

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ICTSI withdraws offer to buy Portek International

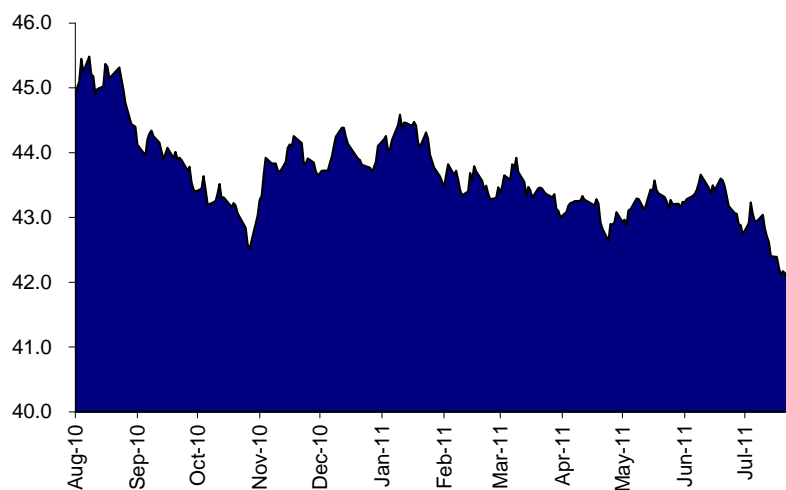
- ICTSI announced yesterday that it had decided to withdraw its bid on Portek International following the counteroffer of Japanese trading firm Mitsui and Co. on the company. ICTSI will instead sell its minority stake on Portek to Mitsui which made a tender offer to buy all shares of Portek International. Mitsui increased its stake on Portek over the weekend by buying shares of the latter previously owned by the Lam Family Holdings Ltd. Mitsui now owns 63.9% of Portek.

Philex Petroleum looks to join new oil, gas exploration contracts

- Philex Petroleum, the oil and gas exploration arm of Philex Mining, said that it is interested in participating in the fourth Philippine Energy Contracting Round which offers bidding for 15 new oil and gas exploration areas. Philex chairman Manuel V. Pangilinan hinted the prospect to reporters yesterday although he said that they still do not know which particular areas covered they will bid for.

BDO declares P1.00 cash dividends in lieu of strong results

- Banco De Oro informed the PSE that its Board had approved the issuance of cash dividends amounting to P1.00 per share to shareholders of record as of August 16, 2011 payable on August 26, 2011. Ex-date is on August 11, 2011. Based on yesterday's closing price of P64.35, this represents a yield of 1.55%.

Php versus US\$: 1-Year Price Chart

Source: Philippine Dealing and Exchange Corp.