



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 05 Aug 2011:	4,437.55 - 63.98
Value T/O, net	Php 5,889 million
52-week High	4,563.65
Low	3,371.10
Foreign Buying:	Php 1,340 million
Foreign Selling:	Php 1,889 million

Regional performance

Dow Jones	: 11,444.60	+ 60.93
FTSE 100	: 5,246.99	- 146.15
Nikkei 225	: 9,299.88	- 359.30

Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	+9.57
ICTSI	-7.47
Metrobank	-7.20
Ayala Land	-6.69
Alliance Global Inc.	-5.96

Index Out-performers	Up
Aboitiz Equity Ventures	3.33%
PLDT	0.42%
SM Investments Corp.	0.37%
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Index Under-performers	Down
ICTSI	5.30%
Lepanto Mining B	4.96%
Alliance Global Inc.	4.41%
Megaworld Corp.	3.86%
Lepanto Mining A	3.79%

Calendar

Aug 8	Q2 Inflation Report, Jul `11 Rediscount Rate
Aug 8	ICT 1H`11 Results Briefing
Aug 9	ALI, GLO 1H`11 Results Briefing
Aug 10	MPTC ASM

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HEADLINES

US stocks end volatile day mostly negative

US stocks ended mostly down on Friday (Aug 05) as stocks swing wildly from positive to negative during the trading session. The S&P and the Nasdaq ended 0.1% and 0.9% lower respectively while the Dow closed 0.5% up. After opening strong, the Dow fell more than 400 points during the early trading sessions only to recover later to post a 135 points high. The index continued to trade wildly during the rest of the day before ending 61 points up. Volume was high during the day with 15.9B shares traded, more than double that of the daily average, as the heavy selloff reflects investors' frustration on the market's uncertainty and lack of direction. The report of an increase in 117,000 jobs, higher than what was forecasted, did shed some light on the bleak outlook of the US economy. Looking forward, investors are looking at how the recent downgrade in US rating by S&P will affect the market. Fed rates decisions are also set to be released this week along with Initial Jobless Claims on Thursday and Retail Sales on Friday. Corporate earnings which are set to be released this week includes Walt Disney(T), Cisco(W), News Corp.(W), Macy's(W), Nordstrom(Th), Kohl's(Th), and JCPenney(F).

BSP - July inflation decelerates to 4.6%

The Banko Sentral reported that inflation in July had slowed to 4.6% using 2000-CPI Series and is well within the forecast of 4.3-5.2%. The year to date average of 4.3% also fell within the government's target. The lower inflation numbers were attributed to the decline of LPG prices and adjustment electricity charges which in turn lessened the inflation of electricity, gas, and other fuels. Despite the deceleration of last month's inflation, Governor Amando Tetango stressed that upward inflation pressures continue to outweigh the downward pressures as international commodity prices remain volatile; and that the BSP continues to watch these risks and stands ready to adjust its policy rates as necessary to safeguard price stability.

Philex posts 56% hike in output for July

For the month of July, PX delivered 804,068 tons of ore from its Padcal mine. This resulted in production of 5,659 tons of concentrates with an average grade of 25.46% Cu, 63.34 g/t Au and 59.36 g/t Ag. The value of such production is PhP 1.4B. The company also shipped 20,658 oz. Au, 5.6M lbs. Cu and 19,665 oz. Ag worth PhP 2.4B.

AT details SMIC, Zenith buy in; halts trading as per PSE; July `11 shipments

Trading of AT shares will be halted from 9-10AM per the disclosure of the company.

We would like to note that Zenith Holdings, which will subscribe to 111,196,319 shares of AT, is wholly owned by the Ramos family. Their intention to maintain a substantial stake in the company is a clear indication of their confidence in its future prospects.

Please Read!

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- During July 2011, AT milled a total of 1.19M tons of ore with an average grade of 0.303% Cu from its Lutopan mine. This resulted in the production of 10,240 tons of copper concentrate with an average grade of 27.05% Cu, 2.2 g/t Au and 21.37 g/t Ag. 9,492 tons of copper concentrate was then shipped to China. The estimated value of the shipment is \$24.8M.

AGI declares cash dividends of P0.36 per share

- Alliance Global Groups announced that its Board had approved the declaration of P0.36 cash dividends per share amounting to P3.7B. The dividends will be payable to shareholders on record as of August 22, 2011 on September 19, 2011. Ex-date is on August 17, 2011. Based on AGI's closing price on Friday, this represents a yield of 3.2%.

Indophil lays aside plans to sell stake in Tampakan mine project

- In an interview by BusinessWorld, Indophil vice president for corporate affairs Gavan Collery said that they have shelved plans to sell their stake on the planned Tampakan copper-gold mine in Mindanao as the venture's prospects had improved. "We are not taking out our Tampakan interest... We are focused on playing our role in developing Tampakan along with Xstrata [Copper] and national government." He said that they are confident that the pit mining ban in South Cotabato issue will be resolved by the end of the year following a statement by Local Government Secretary Jesse Lobredo regarding the issue.

SMDC confident of hitting P4.3B net income target for 2011

- SMDC president Rosa Qua told reporters in a press briefing that the company is confident that it will hit the P4.3B net income target it had set for this year. Along with net income, the company is also confident of hitting P24B in sales this year following strong figures in July.

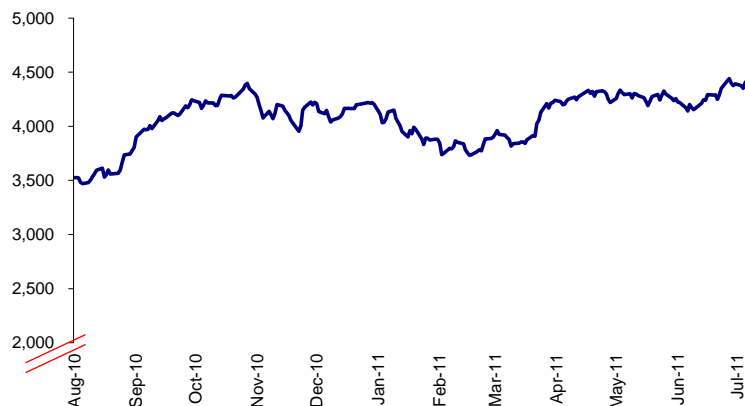
Sumitomo buys 2,900,400 shares of Nickel Asia

- For the month of July, Sumitomo Metal Mining Philippine Holdings Corp., a major shareholder of NIKL, bought 2,900,400 shares of NIKL at an average price of PhP 20.16/share. This is equivalent to about 0.2% of NIKL. As of end-July, Sumitomo Metal Mining owns 24.453% of NIKL.
- *After buying shares in May, Sumitomo's resumption of purchases this month signifies its belief in NIKL's growth moving forward.*

FPH buys back 330,000 shares

- FPH informed the PSE on Friday that it bought back 330,000 shares at an average price of PhP 59.45/share.

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange