



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

10 Aug 2011

## MORNING NOTES

### PSEi performance

PSEi Index 09 Aug 2011:	4,157.03	-174.21
Value T/O, net	Php 5,792 million	
52-week High	4,563.65	
Low	3,371.10	
Foreign Buying:	Php 1,270 million	
Foreign Selling:	Php 2,811 million	

### Regional performance

Dow Jones	: 11,239.80	+ 429.92
FTSE 100	: 5,164.92	+ 95.97
Nikkei 225	: 8,944.48	- 153.08

### Trading snapshot

Index Movers	Points
PLDT	-30.14
Ayala Land Inc.	-11.71
SM Investments Corp.	-10.65
Bank of the Phil. Islands	-9.57
Aboitiz Equity Ventures	-9.22

Index Out-performers	Up
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Index Under-performers	Down
Megaworld Corp.	7.11%
Filinvest Land	5.98%
Robinsons Land Corp.	5.88%
Meralco	5.77%
ICTSI	5.67%

### Calendar

Aug 10	MPTC ASM
Aug 10	MWC 1H'11 Results Briefing Jun'11 KB Loans, Merchandise Export Performance
Aug 10	
Aug 12	Jul'11 CB Accounts Statistics

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## HEADLINES

### US stocks rebound as investors try to fathom the Fed meeting

US stocks rebounded on Tuesday (Aug 9) as investors try to decipher the results of the Fed meeting which took place yesterday. All three major indices posted huge gains with the Dow, S&P and the Nasdaq gaining 3.98%, 4.74% and 5.29% respectively. Volume was high with 16.4B shares traded during the day as investors try to make sense of the wild trading day. The market reversed its direction 6 times before finally ending on a high note. Despite the strong rebound, investors agree that the options of the Fed appear to be limited after the central bank pledged two more years of near zero interest, although they expect a small stimulus package might be brewing which is aimed spur job growth. Analysts believe that the announcement to keep interests at near zero levels for the next two year means that the Fed expects the economy to continue to be weak for the period as highlighted by the downbeat tone of the meeting.

### Globe profits up 9% for 1H'11, declares cash dividends

Globe Telecom reported that it had registered a 9% hike in consolidated net income for 1H'11 to P5.5B from P5.1B last year despite a tough and highly competitive environment in the telco business. Consolidated service revenues reached an all-time high of P16.6B. Globe said that the high revenues recorded were able to offset the increase in operating expenses and subsidies, depreciation, and non-operating charges. Despite strong results in the first half, Globe expects the business environment to become tougher in the coming quarters although they are still confident that the strong momentum will continue. In line with the company's dividend policy, Globe's Board had approved the declaration of cash dividends amounting to P31 per share payable to shareholders on record as of August 22, 2011 on September 19, 2011. Ex-date for the said cash dividends is on August 17, 2011

*GLO's healthy results were due mainly to its ability to grow its revenues amidst a challenging environment. Revenue growth was driven by bigger subscriber bases for its mobile and broadband businesses. EBITDA Margins likewise increased by 6% to 18%, a sign that the company is addressing the issue of margin erosion. Moving forward, we expect GLO to continue delivering healthy results if it focuses on growing its subscriber base and managing its margins.*

### ALI posts 35% hike in net profit for first half

Ayala Land said that it had netted P3.38B in profits for the first half of the year, representing an increase of 35% over values recorded in the same period last year. Consolidated revenues reached P21.25B, 15% higher than last year. Net income margin likewise increased to 16% from 14% last year as the company's efforts to tighten operating costs started to pay off. ALI said that it is on track with its launch schedule for the year and it remains optimistic for its second half performance.

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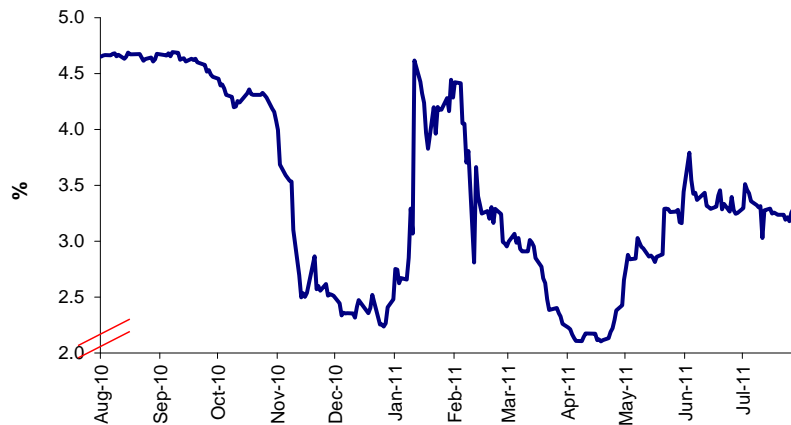
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**RFM profits down 56% for Q2 `11**

- RFM Corporation announced that slower economic growth high commodity prices, increased marketing and selling expenses had cut the company's profits by 56% for the second quarter of the year. Net income for the semester likewise plunged 46% to P213M. Despite the weak results, the company expects profits to pick up in the second half as costs of raw materials start to stabilize.

**ICTSI to increase capacity of its Croatian port unit**

- ICTSI announced yesterday that it had signed a deal with Croatian Railways to increase the intermodal capacity of the Adriatic Gate Container Terminal in Croatia. AGCT, a wholly owned subsidiary of ICTSI, is planned to be an international trading gateway for Central and Eastern Europe.

**PDS 1-Year Tenor Yield: 12-month period**

Source: Philippine Dealing and Exchange Corp