



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 11 Aug 2011:	4,311.02 + 20.88
Value T/O, net	Php 5,307 million
52-week High	4,563.65
Low	3,371.10
Foreign Buying:	Php 2,696 million
Foreign Selling:	Php 3,241 million

Regional performance

Dow Jones	: 11,143.30	+ 423.37
FTSE 100	: 5,162.83	+ 155.67
Nikkei 225	: 9,015.33	+ 33.39

Trading snapshot

Index Movers	Points
SM Investments Corp.	-5.95
Lepanto Mining A	+4.87
Lepanto Mining B	+4.87
Aboitiz Equity Ventures	+4.61
Ayala Land Inc.	+3.34

Index Out-performers	Up
Lepanto Mining B	8.57%
Lepanto Mining A	6.25%
Globe Telecom	2.78%
Philex Mining	2.77%
DMCI Holdings	2.61%

Index Under-performers	Down
SM Investments Corp.	2.31%
ABS-CBN	1.32%
Bank of the Phil. Islands	1.12%
Ayala Corp.	0.91%
PLDT	0.53%

Calendar

Aug 12	Jul '11 CB Accounts Statistics
Aug 12	LFM ASM
Aug 12	PCOR, SMC, AC 1H'11 Results Briefing
Aug 13	WPI ASM

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HEADLINES

US stocks gain on strong earnings and lower jobless claims

■ US stocks rebounded from an 11 month low yesterday (Aug 11) as data compiled by Bloomberg showed that 76% of the 429 companies listed in the S&P500 that reported earnings have topped expectations. Net income had also increased 16% for the group on a 13% jump in sales. Jobless claims data released by the Labor Department also unexpectedly dropped, easing concerns that the economy was heading back into recession. All three major indices posted huge gains with the Dow, S&P and the Nasdaq gaining 3.95%, 4.63%, and 4.69% respectively. The CBOE Volatility Index shed 9.3% after consecutive increases over the recent selloffs. In companies, Nvidia gained 15.6% after increasing its quarterly forecast. Kohl's also gained 7.3% after beating estimates. Cisco meanwhile gained 16% after reporting quarterly revenues that top expectations.

Goldfields reports Far South East project status

■ Gold Fields, one of the world's largest producers of gold, reported that exploration at the Far South East project is progressing well. Initial results of the drilling confirmed its preliminary resource model, as well as identified significant mineral resources outside of the model. In addition, a comprehensive geotechnical program is underway. The community relations team has also ramped up its activities in the district and initiated sustainable development programs in partnership with the local communities.

■ *Gold Fields has an option to acquire 60% of the FSE project. If the option is exercised, it will acquire the 40% currently owned by a 3rd party as well as 1/3 of LC's share (or 20% of FSE). This will bring down LC's share to 40%, making Gold Fields the majority owner of FSE if it decides to exercise the option. This disclosure further bolsters our belief that Gold Fields will exercise the option, which will provide a significant boost to LC's value in the years ahead.*

FMIC posts 24% hike in income for 1H'11

■ First Metro Investments Corp, Metrobank's investment banking arm, reported that its consolidated net income climbed 24% to P1.1B for the first half of the year. FMIC attributes the strong numbers from a strong performance of its Treasury Group which posted a gross income of P1.5B. Interest income from the treasury group's portfolio reached P243.9M and P39.5M respectively. Investment banking fees totaled P319.3M, 17.7% higher YoY. FMIC also said that as of end-June, consolidated resources stood at P72.8B, 13.8% higher YoY, which translates to 17.87% capital adequacy ratio.

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NG's borrowings down 26% to P297.6B in January to June

- Data from the Bureau of Treasury showed that government borrowings from the first six months of the year declined 26% to P297.6B amid lower than programmed spending. Of the said amount, external borrowing accounted for P133.95B (-12% YoY) while domestic borrowings accounted for P163.628B (-34% YoY). Despite the weak borrowings, Finance Secretary Cesar Purisima said that the government will wait until financial markets start to stabilize before tapping the global market for debt again.

FOOD signs agreement to acquire 100% stake in Spence & Co.

- Alliance Select Foods International disclosed yesterday that Mr. Jonathan Y. Dee, CEO of Alliance Select Foods International, and Mr. Charles A. Spence, President of Spence & Co. signed an agreement yesterday wherein the former will acquire 100% stake in Spence. "ASFI will own all of the total issued and outstanding stock of Spence and will exercise full control over the company. Consequently, Spence's financial and operating results will be consolidated into ASFI's own financial statements."

MPTC, SMC to bid on P1.6B Daang Hari-SLEX link road project

- Metro Pacific Tollways Corp. and San Miguel Corp both confirmed reports yesterday that they are participating in the bidding for the P1.6B Daang Hari-South Luzon Expressway link road project. MPTC said that they had acquired the bid documents for the TOR of the Daan Hari Project and shall evaluate the project accordingly.

Universal Robina Corp. posts 18% topline growth for first 9 mos. of fiscal year

- Universal Robina Corp. said that it had managed a strong topline growth of 18% to P50.578B for the first nine months of its fiscal year although high commodity prices had hurt its margins resulting in a 24% decrease in net income to P4.9B. URC said that the increase in consolidated net sales was "driven by the outstanding performance of [their] international branded foods business as well as the strong growth of the commodity foods group primarily due to high prices of sugar in the first half." These were however offset by a weaker performance of their domestic branded businesses with soft sales in beverages and also by a decline in their agro industrial group's performance.

Foreign Buying-Selling : 12-month period

Source: Technistock