



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 12 Aug 2011:	4,321.73	+ 10.71
Value T/O, net	Php 4,316 million	
52-week High	4,563.65	
Low	3,371.10	
Foreign Buying:	Php 1,748 million	
Foreign Selling:	Php 2,186 million	

Regional performance

Dow Jones	: 11,269.00	+ 125.71
FTSE 100	: 5,320.03	+ 157.20
Nikkei 225	: 8,963.72	- 18.22

Trading snapshot

Index Movers	Points
Lepanto Mining A	+6.09
SM Investments Corp.	+5.95
PLDT	-5.11
Meralco	-4.72
Aboitiz Equity Ventures	-4.61

Index Out-performers	Up
Lepanto Mining A	7.35%
SM Investments Corp.	2.37%
Manila Water Company	2.00%
Lepanto Mining B	1.97%
Metrobank	1.75%

Index Under-performers	Down
Meralco	3.75%
Megaworld	2.51%
Aboitiz Equity Ventures	1.64%
ABS-CBN	1.33%
Banco De Oro	1.32%

Calendar

Aug 13	WPI ASM
Aug 15	Jul'11 Wholesale Price Index, SPEI ABS, VLL, PSE, DMC 1H'11 Results Briefing
Aug 15	Briefing
Aug 16	SGI ASM

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HEADLINES

US stocks gain on signs that the market is stabilizing

US stocks gained on Friday (Aug 12) as signs that the worst of the recent selloff might already be over. All three major indices ended green with the Dow, S&P and the Nasdaq gaining 1.13%, 0.53% and 0.61% respectively. Volume was at 9B shares on Friday, sharply lower than the 16B daily average for the week, suggesting that investors' anxiety is already dropping. Strong US retail sales figures, the highest in four months, also alleviated fears that the US economy is heading back into recession. Companies that rely heavily on the expanding economy garnered the most gains with Boeing, Hewlett-Packard, and United Technologies Corp each gaining more than 4% each. Financial stocks however continued its decline as Morgan Stanley fell 7% on reports that the bank has high exposure in the EU financial crisis. JPMorgan Chase & Co., and Goldman Sachs Group likewise fell. On individual stocks, Goodyear posted gains of more than 7% after announcing that it expects revenues to offset higher raw material costs this quarter. DeVry on the other hand plummeted 17% after saying that student enrollment fell this summer. Looking forward, Obama's bus tour set to launch this Monday which aimed to talk to citizens about job growth and health of the US economy is expected to be a key driver for the market this week. Fed speakers are also set to take to the podium this Monday, Wednesday, Thursday and Friday. Housing data including NAHB Index, Housing Starts, Existing Home Sales are also expected this week. PPI and CPI are also expected on Wed and Thursday respectively while Initial Jobless Claims data is expected on Thursday. Earnings from Lowe's(M), Home Depot(T), Walmart(T), Staples(W), Target(W), Sears(Th), Dell (T) and HP(Th) are also expected this week.

Metrobank 1H'11 net income up 45% to P6.1B

Metrobank reported that its first half consolidated net income attributable to equity holders grew 45% to P6.1B while annualized return on average equity improved to 13% from 10.7%. For the second quarter alone, consolidated net income grew 83% YoY to P3B. Total operating income for the first semester reached P25.4B as bolstered by the bank's growth in its net interest income as well as service charges, fees and commissions. Net interest income grew 12% to YoY to P14.7B while non-interest income grew 3.9% to P10.7B. Operating Expenses on the other hand increased to P14.9B from P13.7B due to manpower related costs. Non-performing loan ratio was at 2.6% while its capital adequacy ratio stood at 17.2%.

Filinvest Land net income jumps 28% for first semester

FLI reported that total revenues in 1H11 were up by 30% to P4.19B. 71% of this came from real estate sales, which were up 36% to P3B. Rental revenue grew by 13% to P738M on the back of higher occupancy and lease rates. This brought the company's net income in 1H11 to P1.28B, up 28% YoY. Capex for the year will clock in at P12B, more than double 2010's budget, due to aggressive construction of office buildings and landbanking activities. FLI estimates that P13.3B worth of projects will be launched this year, 29% more than in 2010.

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SMC income jumps 72% to P10.8B in 1H`1, San Miguel Global IPO

- San Miguel Corporation announced that its net income grew 72% to P10.8B for the first half of the year as the company gains from efforts to expand into power and oil refining businesses. Consolidated revenues also jumped 168% to P263.3B while EBITDA rose 117% to P40.2B. Petron and San Miguel Global accounted for 63% of SMC's revenues with the former posting a 62% increase in its operating income while the latter posted a 72% jump in its consolidated operating income. SMC further disclosed that its Board had approved yesterday a plan to conduct an IPO of San Miguel Global towards the latter part of the year. San Miguel Global is currently the largest power producer on the main island of Luzon, accounting for over 29.2% of the installed capacity.

Ayala Corp posts 12% hike in income for 1H

- Ayala Corp announced in a press release that its net income grew 12% to P4.9B for the first half of the year as bolstered by strong results of its real estate, banking, water and telecom businesses. Ayala President and CEO, Fernando Zobel de Ayala said that the Company's results for 1H reflects the positive economic environment and the robust domestic demand that has been sustained since last year. Ayala Land hit record high earnings of P3.4B (+35% YoY) while banking arm, Bank of the Philippine Islands, also posted double digit gains. Net earnings of Globe Telecom likewise grew 9% to P5.5B with consolidated revenues reaching a record P16.6B.

Belle to undertake rights offering next month

- Belle Corp. expects to undertake its planned rights offering next month after recently securing the approval of the PSE. The company is set to offer a total of 1.508B common shares at P3 each, a 64% discount from the stock's VWAP for the 15 trading days immediately preceding the pricing date. Shareholders can purchase 1 new common share for every 6 common shares held as of Sept. 2. The offer period runs from Sept. 22, to 28 while the listing of the new shares has been set for Oct. 10. Part of the proceeds will be used to fund the construction of Belle Grand Manila Bay, an integrated gaming resort complex along Roxas Boulevard.

PSEi : 1-Year Price Chart

Source: Philippine Stock Exchange