



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

|                         |                   |         |
|-------------------------|-------------------|---------|
| PSEi Index 05 Sep 2011: | 4,382.56          | - 10.35 |
| Value T/O, net          | Php 2,619 million |         |
| 52-week High            | 4,563.65          |         |
| Low                     | 3,371.10          |         |
| Foreign Buying:         | Php 1,113 million |         |
| Foreign Selling:        | Php 970 million   |         |

### Regional performance

|            |             |          |
|------------|-------------|----------|
| Dow Jones  | : 11,240.30 | - 253.31 |
| FTSE 100   | : 5,102.58  | - 189.45 |
| Nikkei 225 | : 8,784.46  | - 166.28 |

### Trading snapshot

| Index Movers     | Points |
|------------------|--------|
| Lepanto Mining A | +4.27  |
| PLDT             | -4.09  |
| Lepanto Mining B | +4.06  |
| Ayala Land Inc.  | -3.68  |
| Metrobank        | -2.63  |

### Index Out-performers

|                         | Up    |
|-------------------------|-------|
| Lepanto Mining B        | 6.29% |
| Lepanto Mining A        | 4.76% |
| Philex Mining           | 2.04% |
| Jollibee Foods Corp.    | 1.87% |
| Aboitiz Equity Ventures | 0.86% |

### Index Under-performers

|                     | Down  |
|---------------------|-------|
| ABS-CBN             | 3.40% |
| Security Bank       | 2.21% |
| Filinvest Land Inc. | 1.69% |
| Robinsons Land Inc. | 1.57% |
| Ayala Land Inc.     | 1.34% |

### Calendar

|        |                            |
|--------|----------------------------|
| Sept 6 | Aug`11 CPI, Inflation Rate |
| Sept 7 | Aug`11 GIR, press release  |
| Sept 9 | CLOUD ASM                  |
| Sept 9 | Jul`11 KB loans            |

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## HEADLINES

### BSP Governor named one of world's top central bank heads

- BSP Governor Amando M. Tetango Jr. was named as one of the world's top six bankers by New York –based Global Finance. Along with central bank heads from Australia, Israel, Lebanon, Malaysia and Taiwan, the "Central Banker Report Card" feature of Global Finance gave the Philippines' central bank governor an "A" rating in a scale of "A" to "F" in terms of criteria such as inflation control, economic growth goals, currency stability, and interest rate management.

### Philippines bonds hit record lows amid recession fears

- Treasury bill rates fell to record lows in yesterday's auction as investors shift to less risky assets amid fears of a global recession. Inflation also started to settle prompting investors to believe that the Banko Sentral ng Pilipinas will keep overnight borrowing rates at 4.5%. As a result, the Philippines was able to sell a total of P12.6B of bills due in three months to a year. This is higher than the P9B originally offered. Yields of 91-day notes averaged at 0.438% while 182-day notes and 364-day notes averaged 0.682% and 0.944% respectively.

### Philex August shipping update

- The company shipped 9,229 oz. Au, 2.57M lbs. Cu, and 8,973 oz. Ag with a gross amount of P1B during the month of August.
- *Rising gold and silver prices will continue to bolster PX's topline in spite of copper's lackluster performance. We reiterate our BUY rating.*

### URC cuts its operating income guidance

- Universal Robina Corporation cut its operating income guidance from flat growth to a 10% decline to P7B on the back of rising raw material costs.
- *While inflationary pressure is abating, the spike in commodity prices during the first half of the year was expected to dampen URC's income. Moving forward, if agricultural prices remain sustainably high, we can expect that net income will be dampened.*

### Sumitomo buys NIKL shares

- Sumitomo Metal Minings Philippine Holdings Corporation, a major stakeholder of NIKL, bought 2,706,200 shares (0.2% of NIKL) during the 2nd half of August at an average price of P19.71/share. This brings its total ownership of NIKL to 24.655% from 24.453%
- *This goes to show that Sumitomo believes in NIKL's long-term growth story in spite of the recent drop in nickel prices. While the global recovery may be slower than expected, we expect NIKL's operations to remain resilient.*

### Ayala Corp. shares buyback program update

- Ayala Corporation bought back 200,000 shares yesterday at P309/share, bringing total Treasury shares to 18,514,598 shares.

## Please Read!

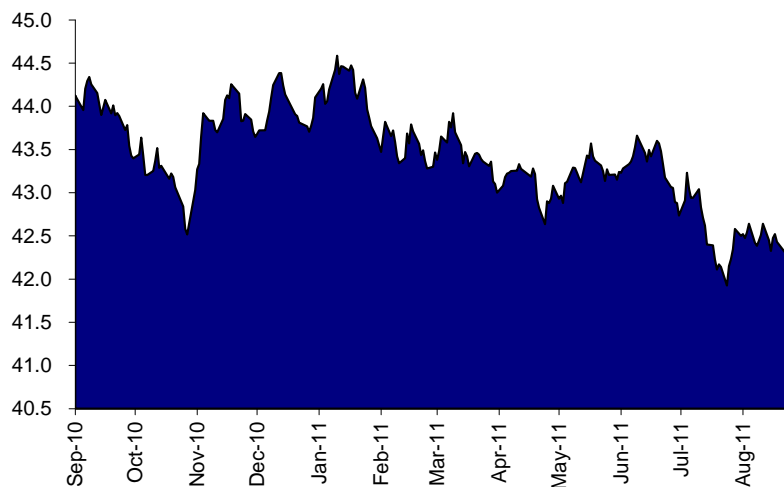
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**Meralco to hike charges by P0.0306/kWh**

- The Energy Regulatory Commission (ERC) approved Meralco's plan to rate hikes by P0.0306 per kWh to allow the company to recoup cost under-recoveries amounting to P944.234 from last year. New rates will be effective starting this September's billing cycle until the full amount have been collected.

**Philex Petroleum listing set on Sept. 12**

- Philex Petroleum, the oil exploration arm of Philex Mining will list its shares on the PSE by September 12, 2011. A total of 1.8B common shares with 35% distributed as dividends will be listed at P1.20 per share by way of introduction. The listing is valued at P8.16B and will be traded in the PSE under the symbol "PXP".

**Php versus US\$ : 1-Year Price Chart**

Source: Philippine Dealing and Exchange Corp.