



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 09 Sep 2011:	4,346.07	- 10.66
Value T/O, net	Php 2,795 million	
52-week High	4,563.65	
Low	3,371.10	
Foreign Buying:	Php 1,796 million	
Foreign Selling:	Php 1,799 million	

### Regional performance

Dow Jones	: 10,992.10	- 303.68
FTSE 100	: 5,214.65	- 125.73
Nikkei 225	: 8,737.66	- 55.46

### Trading snapshot

Index Movers	Points
PLDT	-7.67
Aboitiz Equity Ventures	-6.38
SM Prime Holdings	+4.89
Ayala Land Inc.	-3.68
SM Investments Corp.	-3.47

Index Out-performers	Up
Jollibee Foods Corp.	5.87%
SM Prime Holdings	3.40%
Lepanto Mining A	1.43%
Globe Telecom	1.07%
Universal Robina Corp.	0.96%

Index Under-performers	Down
Aboitiz Equity Ventures	2.20%
Meralco	1.52%
Ayala Land Inc.	1.35%
SM Investments Corp.	1.25%
PLDT	1.24%

### Calendar

Sept 9	CLOUD ASM
Sept 9	Jul'11 KB loans
Sept 12	SHNG ASM
Sept 20	AGI ASM

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## HEADLINES

### US stocks fall sharply on recession fears and EU debt woes

■ US stock fell sharply lower on Friday (Sep 09) as the resignation of Juergen Stark from the ECB, together with fears of a recession, dragged down the market. All three major indices suffered heavy losses with the Dow falling below 11,000 again after declining 2.69% to close at 10,992.13. The S&P and the Nasdaq were down 2.67% and 2.42% respectively. Juergen Stark, a top German official at the European Central Bank resigned in protest of the ECB's bond buying program. Stark's resignation throws into question European countries' ability to deal with the region's debt crisis. The ECB has been buying sovereign bonds to help keep borrowing costs of European countries under control. Doubts about US President Obama's recently announced US\$447B job stimulus proposal also added to the negative sentiment in the market. The broad selloff on Friday was marked with heavy volume, almost 8.7B shares traded on the NYSE, and a 12% jump in the VIX volatility index. The VIX neared 40 during trading, close to its highest level this year. Meanwhile, Bank of America officials are discussing plans to slash almost 40,000 jobs for the first wave of its restructuring, further adding negative views on the country's job market.

### SMC Global Power Holdings targets November IPO

■ In interviews conducted by the Business Mirror, deal arrangers for SMC Global Power Holdings said that the company is targeting an IPO of mid-November. The IPO, valued as much as P35.5B, had already been approved by the Securities and Exchange Commission although final registration statements have yet to be released. As previously disclosed, SMC Global is eyeing to sell 300M to 500M primary and common shares priced at P44 to P71 each. SMC said that proceeds from the IPO will be used to build new power plants and to bid for government power assets.

### Petron update disbursements of proceeds from listing of preferred shares

■ Petron Corp. disclosed on the PSE last Friday that it had completely disbursed the proceeds it received for the P10B worth of preferred shares sale it conducted last March 2010. The company said that proceeds are "being used to support the investment requirements of the company, particularly for its refinery and marketing operations as well as for general corporate purposes." P4.94B were used for the upgrade of its 70MW power generation system while P1B were used for the expansion of its service stations nationwide. Another P3.9B were also reported to have been used for repayment of short term debts. P160M were spent for expenses incurred relating to the issuance and listing of the preferred shares.

### Atlas reports US\$24.4M copper shipment for August

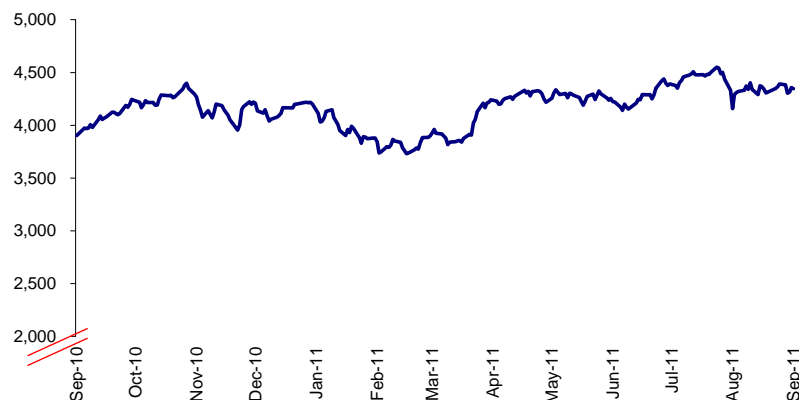
■ Atlas Consolidated Mining and Development Corp. announced that it had made two copper shipments of 4,823DMT and 4,871DMT for August totaling 9,694DMT with an estimated value of US\$24.44M based on provisional prices of US\$4.24/lb copper and US\$1,788/oz gold. Atlas said that total mill throughput for the month of August amounted to 1,181,000 tonnes with an average grade of 0.29%Cu, 2.07g/t Au and 20.20g/t Ag.

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**Puregold IPO**

- In its domestic roadshow last Friday, Puregold announced that it is planning to list a total of 600M shares for its IPO with an overallotment option of 90M shares. This will comprise of 500M new shares and 100M existing shares of the Co family. Price range for planned initial public offering has been narrowed down to P12.50 to P16.50 per share bringing the estimated value of the listing at P7.5B to P10B without the overallotment option and P11.38B with the overallotment option. Planned free float level of the company after the IPO will be at 30% excluding the overallotment option and 45% including. The company said that about 75% of the proceeds resulting from the IPO will be used for expansion while the rest will be used for the payment of loans. The company also said that offering price will be finalized by September 21, during which the international offering will begin, while the domestic offering will run from September 23 to 29. Listing of shares on the PSE under the ticker "PGOLD" is scheduled on October 5.

**PSEi : 1-Year Price Chart**

Source: Philippine Stock Exchange