



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

20 Sep 2011

## MORNING NOTES

### PSEi performance

PSEi Index 19 Sep 2011:	4,307.99 + 17.82
Value T/O, net	Php 2,054 million
52-week High	4,563.65
Low	3,705.18
Foreign Buying:	Php 1,529 million
Foreign Selling:	Php 1,302 million

### Regional performance

Dow Jones	: 11,401.00	- 108.08
FTSE 100	: 5,259.56	- 108.85
Nikkei 225	: 8,864.16	+ 195.30

### Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	+5.04
PLDT	+4.07
Meralco	+3.20
Philex Mining	-3.20
Aboitiz Power Corp.	+2.95

Index Out-performers	Up
Meralco	2.75%
Universal Robina Corp.	2.34%
First Gen Corp.	2.26%
Aboitiz Power Corp.	2.00%
Ayala Land Inc.	1.94%

Index Under-performers	Down
Belle Corp.	4.71%
Philex Mining	2.81%
SM Development Corp.	2.58%
Robinsons Land Corp.	1.42%
Jollibee Foods Corp.	1.11%

### Calendar

Sep 20	AGI ASM
Sep 22	FAF ASM
Sep 22	Q2 '11 Balance of Payments PR
Sep 23	ORE ASM

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## HEADLINES

### US stocks end five day rally as pessimism on EU crisis drag the market

US stocks snapped a five day rally yesterday (Sep 19) as investors were disappointed that EU leaders failed to agree on a solution to the EU region's debt crisis. All three major indices fell with the Dow, S&P and the Nasdaq shedding 0.94%, 0.98% and 0.36% respectively. Stocks remained sharply lower for most of the trading session but staged a late comeback after a Greek official said that after its scheduled teleconference with the European Union and IMF, Greece is nearing an agreement with international lenders to receive more funding. Greece's international creditors are pressuring to country to implement more austerity measures to avoid a default next month. Energy and financial stocks were among the day's worst performers with the PHLX oil service sector index, .OSX, dropping 1.7% and the KBW bank index, .BKX, falling 2.8%. Caterpillar was also one of the decliners, falling 1.5%, after Raymond James cut its ratings on the company. Netflix fell 7% after announcing that it is separating its online streaming business from its mail-in DVD rental business with the latter being renamed Qwikster. Apple meanwhile hit an all-time high of US\$413.23 during trading before closing 2.8% higher to US\$411.63.

### Peso weakens further, T-bill rates rise from record lows

The Philippine peso weakened further yesterday as investors seek safety on the USD from uncertainties in the global economy. The Php closed at P43.44 to a dollar yesterday, weaker by 14 centavos from its previous close. The Php is at a downtrend against the dollar for the sixth straight day yesterday as investors lessen their risky assets, including the Php. T-bill rates on the other hand rose from record lows on yesterday's auctions with the 91-day T-bill rates rising 25.2 basis points to fetch 0.69%, while rates of the one-year paper rose by 18.9 basis points to 1.133%. The government did not sell any six-month papers as the bids were deemed "unreasonably high."

### BSP – Banks' NPL Ratio remains at 2.45%

Data released by the Banko Sentral ng Pilipinas showed that non-performing loans of universal and commercial banks as of end-July remained at 2.45%. This is better by 0.85% compared to 3.30% a year ago. "The NPL level continued its downtrend path easing to P73.05 billion at end-July 2011, 1.48 percent lower than the P74.14 billion of the previous month. Meantime, the 1.67 percent drop in total loan portfolio (TLP) to P2,979.54 billion from P3,030.30 billion almost matched the rate of reduction in NPLs resulting to the retention of last month's NPL ratio."

### Balance of payments surplus up to US\$9B in eight months

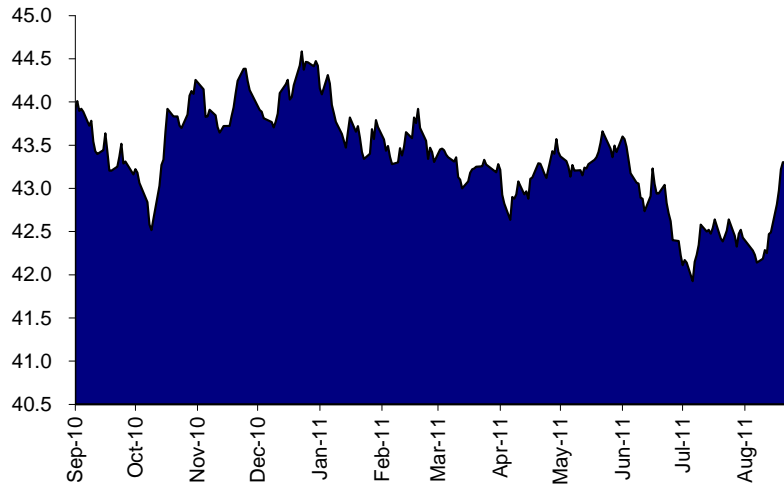
The Banko Sentral ng Pilipinas reported that balance of payments of the country posted a US\$2.72B surplus in August on strong capital inflows, as well as strong exports, remittances, BPO earnings, and tourism. Balance of payments for the first eight months of the year surged 166% to reach US\$9B breaching the revised US\$6.7B full-year target

## Please Read!

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**SEC approves Megawide increase in authorized capital stock**

- In a disclosure to the PSE yesterday, Megawide Construction Corp. announced that the Security and Exchange Commission had approved its bid to increase its authorized capital stock from P1B to P2B consisting of 2B shares with a par value of P1.00 each. The increase in authorized capital stock will be used to cover a 30% stock dividend which the company announced earlier.

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

Source: Philippine Dealing and Exchange Corp.