



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

21 Sep 2011

## MORNING NOTES

### PSEi performance

PSEi Index 20 Sep 2011:	4,219.92	- 88.17
Value T/O, net	Php 2,840 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 1,124 million	
Foreign Selling:	Php 1,631 million	

### Regional performance

Dow Jones	: 11,408.70	+ 7.65
FTSE 100	: 5,363.71	+ 104.15
Nikkei 225	: 8,721.24	- 142.92

### Trading snapshot

Index Movers	Points
SM Investments Corp.	-14.58
SM Prime Holdings	-10.25
PLDT	-5.60
Metrobank	-5.00
Banco De Oro	-4.50

Index Out-performers	Up
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Index Under-performers	Down
SM Prime Holdings	6.30%
SM Investments Corp.	4.75%
DMCI Holdings	4.07%
Ayala Land Inc.	3.16%
Robinsons Land Corp.	2.88%

### Calendar

Sep 22	FAF ASM
Sep 22	Q2 '11 Balance of Payments PR
Sep 23	ORE ASM
Sep 26	PWR ASM

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## HEADLINES

### US stocks end mixed as no clear solution to Greek debt problems seen

US stocks ended mixed yesterday (Sept 20) as optimism that Greek debt problems will see a solution dims. The S&P and the Nasdaq fell 0.2% and 0.9% respectively while the Dow gained 0.1%. The indices enjoyed gains of more than 1% for most of the day on speculations that the Federal Reserve will announce a stimulus plan for the economy, but lost most of those gains in the last hour of trading after none was announced. No agreed solution on Greece's debt problems after two days of meeting between Greek officials and potential international lenders also added negative sentiment on the late selloff yesterday. The IMF also lowered its growth forecast on the US economy although the move signaled hopes that the Fed will be persuaded to implement another stimulus on the economy. In a sign that investors are cautious on the market, the early rally yesterday was led by defensive stocks which tend to do well regardless of the economy such as telecommunications, health care and utilities. AT&T gained 1% while Celgene Corp. gained 7.1%. The latter's stock prices surged ahead of European regulators' review of the company's multiple sclerosis drug called Revlimid. Apple meanwhile reached another all-time high for the second day yesterday.

### Peso weakens further to a six-month low

The Philippine peso continued to weaken against the dollar yesterday as it closed at a 6-month low of P43.46 to a dollar. Investors are shifting to the US dollar in an attempt to shield themselves from uncertainties in the global economy. S&P yesterday cut Italy's credit rating adding to the negative views of investors on the global economy.

### BDO to issue additional Tier-2 notes to raise additional capital

BDO disclosed in the PSE yesterday that it is planning to issue P3B worth of Peso-denominated Unsecured Subordinated Notes to raise additional capital to supplement the Bank's capital position and support its business expansion plans. This will be BDO's second time to issue T2 notes in 2011 following an issuance of P8.5B in June 2011. The said additional T2 notes will carry a tenor of 10 years and 3 months from issue date, and will have a call option exercisable by the bank after five years. BDO said that indicative coupon rates will be based on the prevailing 10-year PDST-F benchmark and will be finalized at the end of the offer period. Interest rate will be paid every three months and will be tax exempt for individual investors if held for more than 5 years. Offer period for the said issuance of T2 notes will run from 20-30 September, with the issue date set for 7 October.

### PLDT dividends for Series E, K, O, U, C, D, J, T and X preferred shares

PLDT declared P1.00 per share cash dividends to the Company's Series E, K, O, U, C, D, J, T and X 10% Cumulative Convertible Preferred Stocks. Record date for Series E, K, O and U preferred stocks will be on October 7 and will be payable to shareholders on October 31. Record date for Series C, D, J, T and X preferred stocks on the other hand will be on October 20 and will be payable to shareholders on November 29. Ex-date for the first set of preferred shares is on October 4, while ex-date for the second will be on October 17.

## Please Read!

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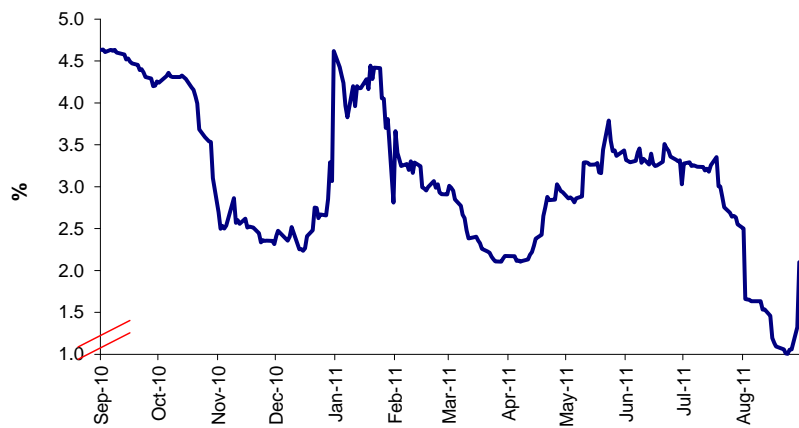
**MWC declares P0.28 per share cash dividends**

- Manila Water said that its Board had approved the declaration of P0.28 per share cash dividends payable to holder of its outstanding common stocks and P0.28 cash dividends payable to holders of outstanding participating preferred stocks. The dividends are payable to shareholders on record as of October 4, 2011 on October 27, 2011. Ex-date will be on September 29, 2011. In addition, MWC also announced that its Board “also ratified the resolution of the Executive Committee approving the redemption on October 23, 2011 of the P4B Peso Fixed Rate Bonds due in 2013.”

**UPM enters into convertible loan agreement with Alakor Corp.**

- UPM entered into a PhP 250M convertible loan agreement with Alakor Corporation. Upon execution of the agreement, Alakor will have the right to subscribe to 2.7 billion UPMC shares of stock at the price of P0.018 per share within a period of five years. The agreement provides an interest of 10 percent yearly, payable in cash or in shares of stock of UPMC at the option of the Alakor.

**PDS 1-Year Tenor Yield: 12-month period**



Source: Philippine Dealing and Exchange Corp