



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

07 Oct 2011

MORNING NOTES

PSEi performance

PSEi Index 06 Oct 2011:	3,890.52	+67.39
Value T/O, net	Php 2,859 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 1,542 million	
Foreign Selling:	Php 2,483 million	

Regional performance

Dow Jones	: 11,123.30	+ 183.38
FTSE 100	: 5,291.26	+ 189.09
Nikkei 225	: 8,522.02	+ 139.04

Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	+18.84
PLDT	+6.62
SM Investments Corp.	+5.50
DMCI Holdings	+3.67
Alliance Global Inc.	+3.46

Index Out-performers	Up
Aboitiz Equity Ventures	7.78%
Belle Corp.	5.52%
DMCI Holdings	5.41%
Megaworld Corp.	3.90%
Robinsons Land Corp.	3.67%

Index Under-performers	Down
Bank of the Phil. Islands	0.55%
Meralco	0.45%
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Calendar

Oct 07	MJC, AGP ASM
Oct 07	Sep `11 GIR press release
Oct 08	Sep `11 Rediscount Rate PR
Oct 11	Aug `11 KB Loans Outstanding

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HEADLINES

US stocks rise as Europe's plan to recapitalize banks lift Wall Street

US stocks gained for the third straight day yesterday (Oct 06) as Europe's plan to support the region's lenders spurred positive sentiments from investors. All three major indices gained significantly with the Nasdaq, S&P and the Dow gaining 1.88%, 1.83% and 1.68% respectively. The European Central Bank announced yesterday that it is buying bonds to provide funds for European lenders. The move will go through until 2013 and is designed to provide liquidity to EU banks and shield them from poor short term credit markets. The loan is also meant to shield EU banks from the effects of a Greek default which might weaken the banks' balance sheets, making it harder for them to lend. The ECB however disappointed investors after announcing that it will keep interest rates unchanged. Investors were hoping that the ECB will lower rates to encourage more lending to boost EU's economy. Meanwhile in the US, retailers reported stronger sales in September, adding to the positive sentiments and calming worries that the US economy is heading into recession. Target, Nordstrom, Macy's and other retailers reported results that beat analyst's expectations. Financials were again some of the top gainers as fueled by the recent developments in Europe. In company news, Apple slipped 0.2%, erasing earlier gains of more than 1%, one day after the company announced the death of Steve Jobs. Corning Inc. jumped 7.1% after announcing that it is increasing its dividends and will start buying back shares.

Peso higher for second straight day on optimistic views on Europe

The Philippine peso gained by another 20 centavos yesterday as investors start to buy back riskier assets they had dumped in the past few days. The peso closed at P43.66 to a dollar yesterday, gaining 42 centavos so far since falling to an eight month low of P44.21 to a USD on Tuesday. Market players believe that the Philippine peso will continue to track the euro in the next few days following new developments in Europe. The euro closed at US\$1.34 yesterday from US\$1.3302 last Wednesday.

SMC in talks with CIMB Group Holdings on Bank of Commerce stake sale

In an interview conducted by the BusinessMirror, San Miguel Corp. President Ramon Ang said that the company is seeking to expand in Malaysia and considering selling a stake in Bank of Commerce to CIMB Group Holdings. Alex Pomento, head of research in Macquarie group told reporters that "a purchase by CIMB [of Bank of Commerce] will pave the way for San Miguel to link with a strong partner in Malaysia, where it's putting a substantial investment through its purchase of Esso." He further added that CIMB "has the financial muscle to strengthen" Bank of Commerce.

Gov't cancels 10-yr bond sale scheduled for Oct. 11

The Bureau of Treasury announced that it is cancelling the auction of 10-year T-Bonds scheduled on Oct. 11 in view of the auction (price setting) of 10-year and 15-year Peso Denominated Retail Treasury Bonds on Oct. 10. The government is looking to raise at least P60B from its second retail bond offering of the year which is scheduled on Oct. 10.

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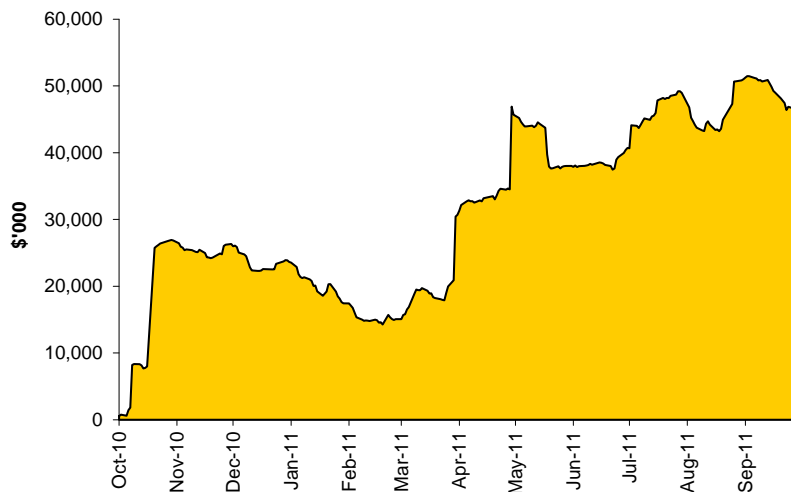
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Maynilad expects slower growth in 2012

- Maynilad Water Services Inc. said that the company still expects growth in profit next year although it will slow down to around 8%. For this year however, the company said that it is still on track to achieving a growth of 25% driven mainly by new connections which are seen to grow to about 1M by yearend. The company is expecting profits of P6B by yearend, up from the P4.78B the company achieved last year. Maynilad is jointly owned by DMCI and MPIC.

PLDT to create more voting preferred shares

- PLDT hinted that it is pushing through with plans in creating more voting preferred shares to address its alleged violation of foreign ownership limits. The company is eyeing to issue around 150M voting preferred shares to Filipino investors. PLDT scheduled a special stockholders meeting last month to address the approval of the issuance although a lack of quorum forced its cancellation. The move is expected to reduce PLDT's foreign ownership to 36% from 64% based on the court interpretation of constitutional limits to foreign ownership on public utilities. PLDT have recently been buying back preferred shares as proof of the company's determination to address this issue.

Foreign Buying-Selling : 12-month period

Source: Technistock