



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

11 Oct 2011

## MORNING NOTES

### PSEi performance

PSEi Index 10 Oct 2011:	4,040.58	+31.32
Value T/O, net	Php 2,108 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 1,197 million	
Foreign Selling:	Php 1,535 million	

### Regional performance

Dow Jones	: 11,433.20	+ 330.06
FTSE 100	: 5,399.00	+ 95.60
Nikkei 225	: 8,605.62	+ 83.62

### Trading snapshot

Index Movers	Points
JG Summit Inc.	+7.45
Metrobank	+3.67
Banco De Oro	+3.57
Alliance Global Inc.	+3.33
DMCI Holdings	+2.80

Index Out-performers	Up
JG Summit Inc.	6.36%
DMCI Holdings	3.83%
Megaworld Corp.	3.66%
Alliance Global Inc.	2.84%
Philex Mining	2.68%

Index Under-performers	Down
Jollibee Foods Corp.	2.36%
Globe Telecom	2.31%
SM Investments Corp.	0.78%
Ayala Corp.	0.35%
Aboitiz Equity Ventures	0.24%

### Calendar

Oct 11	Aug `11 KB Loans Outstanding
Oct 14	Sep `11 CB Accounts Statistics
Oct 14	STN, AAA, CPM ASM
Oct 17	Aug `11 Remittance Press Release

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## HEADLINES

### US stocks gain as European leaders pledge to help banks

■ US stocks soared yesterday (Oct 11) as a pledge by German and French leaders to help banks spurred optimism that the euro-zone debt crisis might soon be contained. All three major indices posted sizeable gains with the Dow gaining 2.97%, the S&P, 3.41% and the Nasdaq, 3.5%. The S&P, for the first time since late July, had traded above its 50-day moving average while gains of Dow were the biggest the index have managed since Aug 11. The rally was characterized by very light volume however, suggesting that the recent trend will not be sustained for the long term. Yesterday's volume was the second lightest since July. The rally came as German Chancellor Angela Merkel and French President Nicolas Sarkozy said on Sunday that their governments are coming up with a comprehensive new package to ease EU's sovereign debt crisis. The recent move to nationalize Dexia also added to the optimism on EU's economic state recently. Energy and material stocks were among the best performing stocks yesterday with Alcoa gaining 3.9%. Alcoa is set to report earnings today after trading. Analysts are forecasting that the energy and materials sector will have the highest earnings growth for the third quarter.

### Peso sustains rally for fourth straight day

■ The Philippine peso gained 18 centavos to a US dollar yesterday to close at P43.36 as optimism in Europe continue to sustain the risk appetite of investors. Traders expect the peso to retain its strength this week and will trade in the range of P43.60 to P43.10 today.

### BDO successfully issues P6.5B Tier 2 Notes

■ Banco De Oro announced yesterday that it had successfully issued P6.5B worth of Peso denominated Unsecured Subordinated Notes qualifying as Tier 2 capital on Friday. The amount was double in size of the original P3B offer size and had closed the offer period ahead of schedule as a result of oversubscription from retail and institutional investors. The said notes were priced at 6.375% per annum and have a maturity of 10 years and 3 months. The notes will also have a call option exercisable by BDO after 5 years and one day. BDO said that the fresh capital generated "will supplement the Bank's capital position and support its business expansion plans."

### Philex – Silangan mine life at 50 years

■ Philex said that its Silangan mine in Surigao may be mined up to 50 years depending on several factors including metal prices, metal grade, and cost to convert the reserves. The company pointed out that the Padcal mine, originally estimated to have only 18M tons of ore reserves back in 1958, have already been mined for almost 350M tons of ore. The life of the Silangan mine is currently estimated at 25 years with a resource estimate of 400M tons. Philex said that it is seeking P1B worth of financing for the development of the Silangan mine for the second half of the year with the firm looking to provide 30-40% of the cost while the rest will be financed through debt.

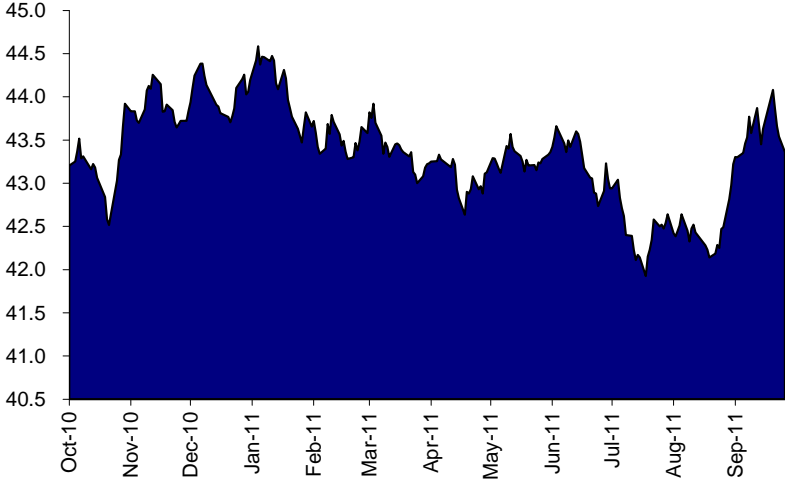
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**AGI buys MEG shares**

- In a disclosure to the PSE, MEG disclosed that from September 1, 2011 to September 30, 2011, AGI bought a total of 50,070,000 shares of Megaworld at an average price of P 1.79 per share.

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



Source: Philippine Dealing and Exchange Corp.