



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 14 Oct 2011:	4,153.40	+18.92
Value T/O, net	Php 2,527 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 1,465 million	
Foreign Selling:	Php 941 million	

Regional performance

Dow Jones	: 11,644.50	+ 166.36
FTSE 100	: 5,466.36	+ 62.98
Nikkei 225	: 8,747.96	- 75.29

Trading snapshot

Index Movers	Points
ICTSI	+7.67
Ayala Corp.	-6.03
Philex Mining	+4.58
SM Investments Corp.	+4.13
Semirara Mining Corp.	+2.31

Index Out-performers	Up
ICTSI	5.91%
Philex Mining	4.25%
Semirara Mining Corp.	3.96%
Belle Corp.	2.21%
Meralco	1.99%

Index Under-performers	Down
Ayala Corp.	3.31%
Metro Pacific Investments	1.64%
Energy Dev't Corp.	1.02%
Universal Robina Corp.	1.01%
Alliance Global Inc.	0.93%

Calendar

Oct 17	Aug `11 Remittance Press Release
Oct 17	Sep `11 SPEI
Oct 19	GREEN ASM
Oct 19	Sep `11 BOP Position, GIR and NIR

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HEADLINES

US stocks rally on easing US recession fears and euro-zone optimism

US stocks gained on Friday (Oct 14) as encouraging US economic data and growing optimism on Europe pushed stock higher. All three major indices posted sharp gains with the Nasdaq, Dow and the S&P gaining 1.82%, 1.74% and 1.45% respectively. The US government announced on Friday that retail sales for September surged 1.1%, easing fears that a recession is imminent. Retail sales figures for July and August were also revised upward following the announcement. The most recent retail sales data is expected to have a positive effect on the GDP forecast for 2011, as well as spur higher expectations on the third quarter earnings season. Google's strong earnings released last Thursday also added to the positive sentiments on the market. Google shares jumped 5.9% on Friday's trading. In Europe, talks held by the G20 sparked optimism that the region's sovereign debt problem will find a solution soon. Stocks were not the only issues boosted by the recent surge in risk appetite. Crude oil rose more than 3% in Friday's trading to close near US\$87 while the euro posted its best week against the US dollar in nine months. Gold, silver, and copper futures likewise jumped 0.87%, 1.60% and 3.07% respectively. Looking forward, financials such as CitiGroup (M), Wells Fargo (M), BofA (T), Goldman Sachs (T), and Morgan Stanley (W) are expected to report Q3 results this week. Results from tech companies such as Yahoo (T), Apple (T), Intel (T) and Microsoft (Th) are likewise slated this week. On Tuesday 1230EDT, Fed chief Bernanke's speech on The Great Recession might potentially raise hints on the Fed's next moves. In economic data, industrial output, producer prices, and consumer price index for September are expected on Monday, Tuesday and Wednesday respectively.

Universal bank, Commercial bank NPL ratio gains slightly as of end-August

The BSP reported that the non-performing-loans ratio of universal banks and commercial banks was at 2.52% as of end-August. This is 0.07% higher than the previous month's 2.45% although lower than last year's 3.25%.

PNB, Allied Bank merger will not happen in 2011

In an email to the BusinessWorld, Allied Bank President Anthony Chua said that the merger between PNB and Allied Bank will not likely happen this year as the merger will still need the approval of the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, and the Philippine Deposit Insurance Corp. He further added that they are still working on a timetable for the activities needed for the merger and as of the moment, cannot provide any more details in terms of a timetable.

SMC contemplates selling Petron to government

San Miguel Corp. confirmed reports that it is considering the sale of the Bataan refinery to the government. It was reported that a sale of Petron's sole Bataan refinery back to the government could include more than 1,700 of the company's retail stores nationwide. The sale of Petron back to the government could help the country counter the effects of rising oil prices worldwide.

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Aboitz Power, Meralco JV project still seeking funds

- Aboitz Power said that its joint venture project with Meralco PowerGen Co. to build a 600MW coal fired plant in Subic is still currently seeking lenders to finance the project. Bidding out the project's engineering, procurement, and construction contracts are also yet to be completed. The project, which will consist of two 300MW plants, is expected to be completed by 2014.

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange