



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

19 Oct 2011

MORNING NOTES

PSEi performance

PSEi Index	18 Oct 2011:	4,157.26 - 57.19
Value T/O, net		Php 2,716 million
52-week High		4,563.65
Low		3,705.18
Foreign Buying:		Php 1,451 million
Foreign Selling:		Php 1,195 million

Regional performance

Dow Jones	:	11,577.00	+	180.05
FTSE 100	:	5,410.35	-	26.35
Nikkei 225	:	8,741.91	-	137.69

Trading snapshot

Index Movers	Points
Bank of the Phil. Islands	-6.55
Philex Mining	-5.26
SM Investments Corp.	-4.68
Metrobank	-4.26
Meralco	-3.20

Index Out-performers	Up
PLDT	0.18%
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Index Under-performers	Down
PLDT	0.18%
Philex Mining	4.67%
Semirara Mining Corp.	3.53%
Belle Corp.	3.41%
Globe Telecom	3.02%

Calendar

Oct 19	GREEN ASM
Oct 19	Sep `11 BOP Position, GIR and NIR
Oct 25	SUN ASM
Oct 29	AR, WIN, EVER PSE

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HEADLINES

US stocks rally as sentiments on Europe shift again

■ US stocks rallied late yesterday (Oct 18) after reports that France and Germany agreed to increase the euro zone's bailout fund to 2 trillion euros shifted sentiments on Europe's condition again. US stocks fell sharply the previous day after comments from the German Finance Minister raised concerns on the region's progress in addressing their sovereign debt crisis. All three indices were able to pare down losses incurred the previous day with the Dow gaining 1.58%; the S&P, 2.04%; and the Nasdaq 1.63%. Banks were among yesterday's biggest winners with Bank of America gaining 10.1% after reporting earnings that beat analysts' estimates. Goldman Sachs likewise gained 5.5% despite reporting a loss for the quarter, its second only since 1999. Stocks of homebuilders also gained sharply yesterday after a survey showed that they are less pessimistic about the economy than expected. R. Horton and PulteGroup, Inc both jumped more than 11%, while Lennar Corp., rose 9.2%. In other company news, IBM fell 4.1% after reporting results that fell short of expectations. Yahoo dropped 3% in extended trading reporting that its revenues slipped in the third quarter. Coca Cola fell 0.5% after posting a 6% decline in 3Q profits. UnitedHealth Group likewise fell due to disappointing 3Q earnings. Intel on the other hand jumped 5% after increasing its forecast for the quarter. Apple meanwhile reported disappointing results after trading.

Peso retreats on lower than forecast GDP and EU news

■ The Philippine peso lost 17 centavos yesterday to close at P43.29 to a US dollar after comments from German Finance Minister Wolfgang Schaeuble saying not to expect too much from their Sunday summit spurred renewed fears on Europe's condition. China's 9.1% GDP growth figure, which was lower than the forecasted 9.3%, also contributed to the weakening of the local currency. Other currencies likewise fell against the US-dollar yesterday.

Treasury rejects sale of 91-day and 182-day bills yesterday

■ The Bureau of Treasuries only accepted sale of one-year debt papers yesterday as bids for the three and six month debt papers were too high yesterday. As a result, the government raised only P4B from yesterday's auction compared to the P9B targeted. Rates of the three and six month bills were reportedly higher than the bids for the one year notes leading the Bureau of Treasuries to reject the sale.

Nickel Asia might be delayed as a result of the recent rebel takeover

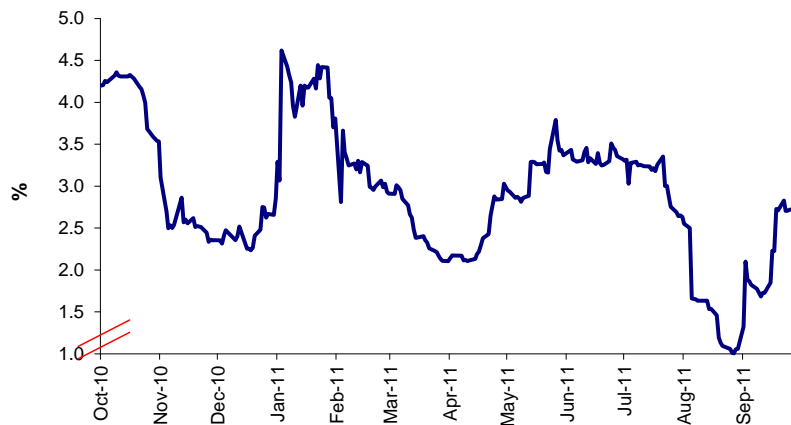
■ Nickel Asia Corp. said yesterday that the planned mid-2013 launch of its US\$1.4B nickel procession plant, which is currently being built adjacent the company's Taganito mine, might be delayed a couple of months as a result of the recent hostile takeover of Maoist rebels of its mine. Nickel Asia recently said that around US\$70M worth of equipment were destroyed during the attack although the company has enough cash to cover the losses. Despite the slight delay in the launching of its nickel processing plant, the company said that they will still be able to meet their 10M tons target for the year.

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Cebu Air posts 12% growth in passengers for Q3 '11

- In a press release, Cebu Air said that the company managed a 12% system wide year on year growth in passenger tally for the third quarter of the year largely due to a 22% increase in international passengers. For the third quarter alone, the country's largest national flag carrier flew a total of 2.8M passengers, 660,000 of which are international while 2,129,000 are domestic. For the first nine months of the year, Cebu Air had already flown a total of 8.7M passengers, keeping the company on track of its 12M target for 2012.

PDS 1-Year Tenor Yield: 12-month period

Source: Philippine Dealing and Exchange Corp