



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

20 Oct 2011

## MORNING NOTES

### PSEi performance

PSEi Index	19 Oct 2011:	4,193.55 + 36.29
Value T/O, net		Php 2,663 million
52-week High		4,563.65
Low		3,705.18
Foreign Buying:		Php 1,648 million
Foreign Selling:		Php 1,437 million

### Regional performance

Dow Jones	:	11,504.60	-	72.43
FTSE 100	:	5,450.49	+	40.14
Nikkei 225	:	8,772.54	+	30.63

### Trading snapshot

Index Movers	Points
SM Investments Corp.	+4.13
ICTSI	+3.44
Alliance Global Inc.	+3.07
JG Summit Inc.	+2.66
Meralco	+2.56

Index Out-performers	Up
Megaworld Corp.	3.93%
Cebu Pacific Air	2.84%
ICTSI	2.49%
Alliance Global Inc.	2.43%
Meralco	2.33%

Index Under-performers	Down
Metro Pacific Investments	0.33%
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### Calendar

Oct 21	Sep `11 NG Cash and Treasury Stats
Oct 25	Aug `11 External Trade Performance
Oct 25	SUN ASM
Oct 26	Aug `11 MISSI

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## HEADLINES

### US stocks decline on reports that Europe is far from solution

US stocks declined yesterday (October 20) after talks that Europe is still far from coming up with a solution to their lingering sovereign debt crisis triggered a late selloff on US stocks. All three major indices ended red with the Dow declining 0.63%; S&P, 1.26%; and the Nasdaq, 2.01%. Stocks stayed positive for most of the day but an announcement by French President Nicolas Sarkozy that the talks to increase Europe's bailout fund is stuck triggered a selloff in the final two hours of the session. This pushed the VIX volatility index higher by 10.1%, reflecting the market's instability ahead of a summit of EU leaders this Sunday. A weak economic outlook offered by the Federal Reserve also added selling pressure to the late selloff. Tech stocks were among the biggest losers yesterday as Apple shares retracted 5.59% following their earnings report that failed to meet Wall Street expectations. This is the stock's biggest decline since December 2008. Intel Corp however gained 3.6% after reporting results that exceeded analysts' estimates. Stocks which are most depended on economic growth were also hit yesterday with Alcoa sliding 3.6% in yesterday's trading.

### Balance of Payments surplus lower in September

The BSP said that the Philippine's Balance of Payments surplus declined 73.56% in September to US\$719M from US\$2.719B the previous month. Despite the sharp decline, the BSP said that the YTD total is still above their US\$6.7B full year target.

### PPA approves port fees hike

ICTSI and Asian Terminals, Inc. said yesterday that the Philippine Port Authority (PPA) had approved their tariff rate increase at South Harbor and Manila International Container Terminal. The increase will be implemented in two tranches with the first tranche, a 6% increase of the rate as of 2009, scheduled to be implemented 30 days after publication in a newspaper. The second tranche, an 11% increase of the rate as of 2009, will be implemented 6 months after the first tranche.

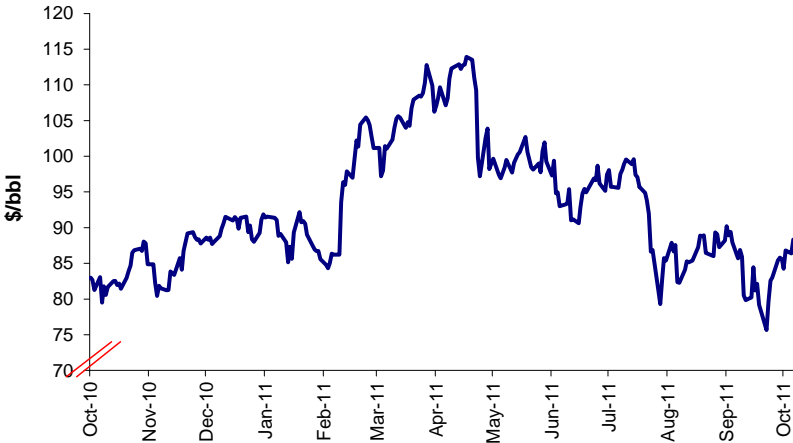
### Smart protests inaction of NTC on a complaint on Globe unit and Altimax

Smart is protesting against the inaction of the NTC on its bid to block Altimax Broadcasting and Innove Communications from letting Globe use their assigned frequencies. The two companies failed to provide any response to Smart's complaints at yesterday's hearing and sought another postponement to October 27. Altimax's assigned frequencies were originally issued by the NTC for TV broadcasting services but a 2009 lease agreement with Globe allowed the latter to use these frequencies for broadband internet services. Smart is asking the NTC to revoke the use of these frequencies and make them available to other qualified telecom operators.

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Nymex Crude 1-Yr Price Chart



Source: Bloomberg