



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 21 Oct 2011:	4,166.60	- 3.97
Value T/O, net	Php 1,630 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 1,435 million	
Foreign Selling:	Php 1,354 million	

Regional performance

Dow Jones	: 11,808.80	+ 267.01
FTSE 100	: 5,488.65	+ 103.97
Nikkei 225	: 8,678.89	- 3.26

Trading snapshot

Index Movers	Points
Banco De Oro	-5.12
PLDT	+4.07
San Miguel Corp.	+3.13
Energy Dev't Corp.	-2.31
Jollibee Foods Corp.	-2.29

Index Out-performers	Up
Megaworld Corp.	3.23%
Belle Corp.	2.24%
San Miguel Corp.	1.72%
Alliance Global Inc.	1.58%
DMCI Holdings	1.48%

Index Under-performers	Down
Banco De Oro	3.09%
SM Dev't Corp.	2.66%
Jollibee Foods Corp.	2.19%
Semirara Mining Corp.	1.44%
Energy Dev't Corp.	1.40%

Calendar

Oct 25	Aug `11 External Trade Performance
Oct 25	SUN ASM
Oct 26	Aug `11 MISSI
Oct 29	AR, WIN, EVER ASM

Wealth Securities, Inc.

2103 East Tower, PSE Center, Exchange Road,
Ortigas Center, Pasig City 1600
Telephone: 02.634.5038
Facsimile: 02.634.5043

HEADLINES

US stocks rally sharply as solid earnings reports boost stocks

US stocks gained sharply on Friday (Oct 21) as a combination of solid earnings reports, better economic outlook, and optimistic views in Europe pushed the market higher. All three major indices posted huge gains with the Dow jumping 2.31%; the S&P, 1.88% and the Nasdaq, 1.49%. McDonald's Corp. on Friday reported that 3Q earnings experienced a 9% increase, beating analysts' expectations. This led its stocks to soar to a new high of US\$92.45 before finally settling with a 3.7% gain. The rally in McDonald's shares also pulled along with it other consumer stocks. Shares of Harman International Industries likewise jumped 20.6% after posting earnings that beat expectations. GE meanwhile fell 1.9% despite meeting Wall Street's expectations. In economic news, the government reported that unemployment fell in half of all US states while remaining unchanged in 11. This data is better than August's which saw unemployment rising in 26 states. In the European scene, stocks of the region rose sharply ahead of the summit scheduled yesterday as investors hope that European leaders will agree on a rescue package to address the region's sovereign debt problem. The FTSE100, CAC and the DAX rose 1.93%, 2.83% and 3.55% respectively on. Looking forward for next week, US GDP for the third quarter is slated to be released on Thursday with an estimate set at +2.4%. Consumer Confidence for Oct., Pending Home Sales and Personal Income for Sept. are likewise expected on Tuesday, Thursday and Friday respectively. Earnings report of Caterpillar, an economic bellwether seen by many, is scheduled to be released today before the bell. Other earnings reports scheduled this week include Amazon (T), 3M (T), UPS (T), Boeing (W), Ford (W), and Visa (W).

Petron posts 14% drop in Q3 earnings

Petron reported that third quarter earnings fell 14% YoY to P1.56B for the third quarter as weaker demand for oil brought about by increasing prices of the commodity, as well as aggressive competition, hurt the company's results. This brings the company's total earnings for the first nine months of the year to P7.6B, up from the P5.35B it posted for the same period last year. Despite the weaker 3Q results, the company still expects a sustained growth momentum as modernization and expansion programs start to yield tangible results. Petron recently unveiled a US\$2B plan to increase the capacity of its Limay plant to 180,000 barrels per day as part of the company's expansion efforts.

NTC sets conditions for the approval of PLDT, Digital deal

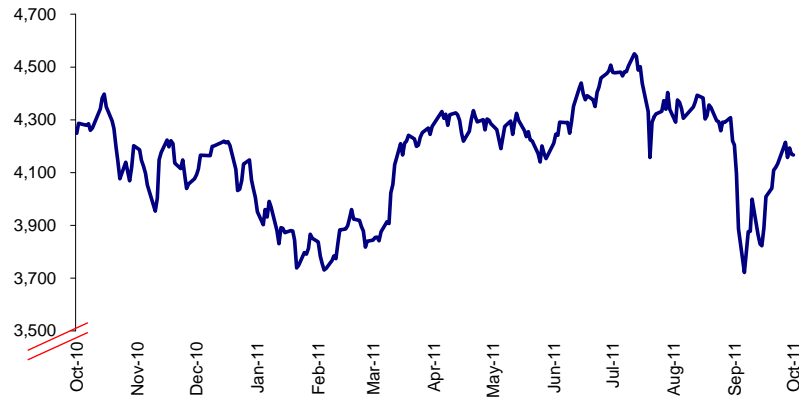
In an article from the Philippine Star, sources of the newspaper said that the National Telecommunications Commission (NTC) was reportedly contemplating on requiring Sun Cellular to keep its unlimited text and call promo a permanent offering before the agency approves the planned merger. In addition, the NTC is also in talks with PLDT for the possible divestment of frequencies currently held by the latter's subsidiary, CURE. The NTC is expected to come up with a decision by this week on whether it will approve of the said merger or not.

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ERC approves Meralco supply source deal for Cavite

- The Energy Regulatory Commission (ERC) reportedly approved Meralco's plan to source power from South Premiere Power, a subsidiary of San Miguel Corp., for distribution to the Cavite Economic Zone. The ERC said the deal was provisionally approved with a basic generation rate of P3.94 per kWh and will not have an impact on Meralco's other customers as the deal is solely to address the power requirements of the said location.

PSEi : 1-Year Price Chart

Source: Philippine Stock Exchange