



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

PSEi Index 28 Oct 2011:	4,333.72 + 66.22
Value T/O, net	Php 4,191 million
52-week High	4,563.65
Low	3,705.18
Foreign Buying:	Php 2,650 million
Foreign Selling:	Php 1,644 million

Regional performance

Dow Jones	: 11,658.00	- 297.05
FTSE 100	: 5,421.57	- 122.65
Nikkei 225	: 8,835.52	- 152.87

Trading snapshot

Index Movers	Points
Bank of the Phil. Islands	+9.21
Banco De Oro	+8.84
Metrobank	+7.06
Aboitiz Equity Ventures	+5.05
Alliance Global Inc.	+4.10

Index Out-performers	Up
Banco De Oro	5.33%
Metrobank	3.48%
Bank of the Phil. Islands	3.36%
Alliance Global Inc.	3.11%
JG Summit Holdings Inc.	2.60%

Index Under-performers	Down
Megaworld Corp.	2.08%
First Gen Corp.	0.57%
Belle Corp.	0.52%
Manila Water Company	0.51%
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Calendar

Nov 02	MER 3Q`11 Results
Nov 03	TEL 3Q`11 Results
Nov 04	PEC ASM
Nov 04	AP, AEV 3Q`11 Results

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HEADLINES

US stocks plunge as Greek vote renews uncertainty on Europe

■ US stocks declined on Tuesday (Nov 1) as a surprise call for a Greek referendum renewed uncertainty on Europe's debt crisis. All three major indices were down sharply with the Dow declining 2.48%; the S&P, 2.79%; and the Nasdaq 2.89%. The S&P has so far slid more than 5% this week as stocks pullback from last month's rally. Last month marked the market's best month in 20 years as hopes that Greece will finally avoid a default fueled a huge rally in stocks. Yesterday's decision by Greek Prime Minister Papandreou to proceed with a referendum fueled more losses as the Greek refinancing package risks being defeated. This will eventually lead Greece no choice but to default if the Greeks vote against the package. Manufacturing data from China also added to the negative sentiments yesterday. Banks were the hardest hit in yesterday's selloff with the KBW Bank Index sliding 4.9%. Citigroup plunged 7.7% to US\$29.17 while Morgan Stanley lost 8% to US\$16.23. The VIX meanwhile posted a 16% advance yesterday bringing its gain for the week so far to 42%.

Bureau of Treasuries – Government borrowings down for Jan to Sept

■ Data from the Bureau of Treasuries show that government borrowings for the first nine months of the year amounted to only P384.8B, lower than the P672.2B recorded in the same period last year, as a result of a lower budget deficit for the year. External borrowings reached P161.5B (-24% YoY), while domestic borrowings reached only P223.3B (-51% YoY).

NTC to issue new order to slash cellphone rates

■ In an interview with the BusinessWorld, NTC commissioner Gamalier A. Crodoba said that the NTC is finalizing details of a new order to slash cellphone rates which is expected to be released next month. No details on the said order were disclosed yet although a draft order by the NTC released last June showed that the regulator is eyeing to cut the fee for mobile voice services to P2 per minute from the current P4. NTC is targeting to further lower this to P1 per minute after two years.

AEV expects 8.5% net income drop for 2011

■ AEV's Chief Financial Officer Stephen G. Paradies told reporters last week that the company expects to end the year with an 8.5% drop in net income as the company's second semester performance for the year will not be able to match last year's. Paradies said that analysts' estimates for the company's full year earnings amount to only P20B, lower than last year's P21.86B. For the first semester alone, the company had posted a 9% drop in net income compared to last year due to lower revenues from Aboitiz Power. The company is expected to release third quarter earnings within the week.

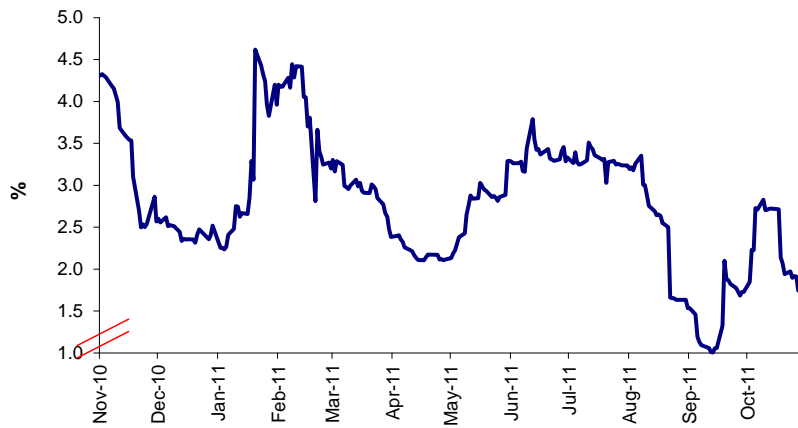
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PSBank eyes acquisition

- PSBank president Pascual M. Carcia told the BusinessWorld that the thrift bank arm of Metrobank is eyeing the acquisition of a “significantly sized financial institution.” He did not disclose what type of financial institution the bank is looking to acquire although he said that the acquisition should boost the bank’s main business.

PDS 1-Year Tenor Yield: 12-month period



Source: Philippine Dealing and Exchange Corp