



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

04 Nov 2011

MORNING NOTES

PSEi performance

PSEi Index 03 Nov 2011:	4,210.25	- 50.16
Value T/O, net	Php 2,714 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 2,004 million	
Foreign Selling:	Php 1,374 million	

Regional performance

Dow Jones	: 12,044.50	+ 208.43
FTSE 100	: 5,545.64	+ 61.54
Nikkei 225	: 8,640.42	- 195.10

Trading snapshot

Index Movers	Points
PLDT	-8.15
Ayala Corp.	-6.03
Universal Robina Corp.	-3.87
ICTSI	-3.04
Metrobank	-2.79

Index Out-performers

	Up
Jollibee Foods Corp.	0.23%
Manila Water Company	0.10%
SM Investments Corp.	0.09%
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Index Under-performers

	Down
Universal Robina Corp.	3.96%
Megaworld Corp.	3.74%
Ayala Corp.	3.39%
Belle Corp.	3.05%
Robinsons Land Corp.	2.82%

Calendar

Nov 04	PEC ASM
Nov 04	AP, AEV 3Q'11 Results
Nov 04	Oct '11 Inflation and CPI
Nov 08	MWC 3Q'11 Results

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HEADLINES

US stocks continue advance as Greece backs away from proposed vote

■ US stocks rallied for a second day yesterday (Nov 03) as Greece backed away from the proposed referendum which hammered stocks early this week. All three indices soared with the Nasdaq gaining the most at 2.20% while the Dow and the S&P gained 1.76% and 1.88% respectively. In addition to Greece scrapping its proposed referendum on the bailout plan mapped by EU leaders, stocks also received a boost from a surprise interest rate cut announcement by the European Central Bank. The ECB cut its benchmark interest rates by 0.25% to 1.50%. The interest rate cut was taken by investors as a positive sign that the ECB is taking more aggressive measures in preventing another financial crisis that threatens to derail the entire global economy. Stocks which are set to benefit from a growing economy led the market yesterday with S&P energy index .GSPE gaining 2.5% while its technology index .GSPT gained 2.4%. Stocks which posted earnings also advanced with Estee Lauder jumping 18% after posting a 46% hike in global sales. Qualcomm also jumped 7.5% after posting results that exceeded analysts' expectations. Kraft also gained 3.3% after reporting a 22% increase in income. Kellogg on the other hand lost 7.6% after earnings fell more than analyst estimates.

PLDT 9M2011 Net Income 4% lower YOY

■ TEL reported that its 9M2011 Net Income reached P30.6B, 4% lower than the P32.0B for 9M2010. Core Net Income, which also was at P30.6B, was similarly lower by ~3% vs. last year. Service Revenues were down 3% to P103.2B as the company's main businesses delivered slower revenues. Cellular Revenues were 4% lower YOY while Fixed and Wireless Voice Revenues were down 7% YOY. Aside from lower revenues, margin pressure continued to be felt as EBITDA Margin declined to 59% from last year's 60%. In light of this, TEL lowered its FY2011 Net Income guidance to P39.0B, ~4% lower vs. last year.

■ On the positive side, NTC already approved PLDT's acquisition of Digitel was completed last October 26, 2011. To consummate the transaction, PLDT committed to retain the 'unlimited' type of services that Sun and Digitel offer and divest Connectivity Unlimited Resource Enterprises (CURE) and the frequency that it owns. On top of these, PLDT and Digitel committed that it shall continue to provide high quality service to its subscribers and customers.

US Fed approves PNB, Allied Bank Voting Trust Agreement

■ In separate disclosures to the PSE, Philippine National Bank and Allied Bank said that the US Federal Reserve had approved the Voting Trust Agreement filed by both banks. This will allow Allied Bank to put its entire stake on Oceanic Holdings Ltd. in a temporary trust to oversee the merger of PNB and Allied Bank in a manner that addresses US regulatory concerns. Both banks said that with this recent development, they can now proceed with the implementation of their merger.

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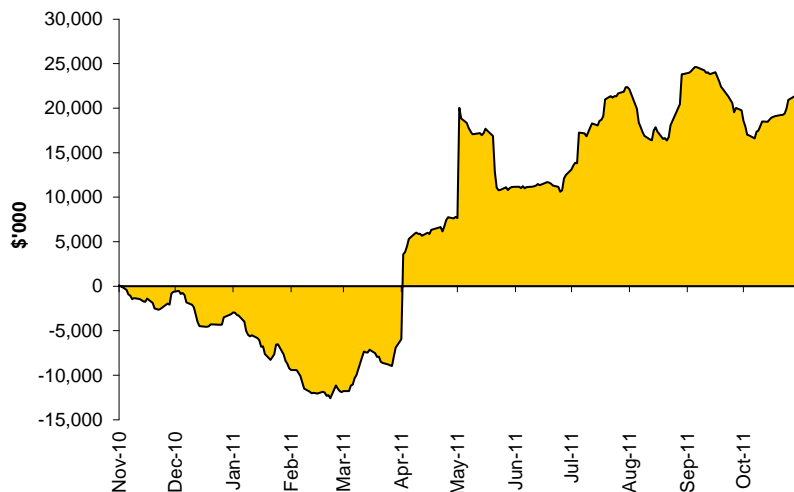
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PNB to issue P3b LTNCDs

- PNB said that it will issue P3B worth of Long Term Negotiable certificate of Deposits (LTNCDs), proceeds of which will be used for general corporate purposes and to further strengthen their banking operations. The offer period will run from November 3 to November 15, with issue date tentatively set for Nov 18. The LTNCDs will have a maturity of 5 years and 3 months from issue date. Interests will be paid quarterly and will be tax exempt of creditors hold it for more than 5 years.

SM Prime earnings up 14% for 9M'11

- SM Prime said in a statement that the company had managed to grow its consolidated net income for 14% YoY for the first nine months of the year as boosted by last year's expansion. SMPH said that they added 289,000sqm in net leasable space last year. Consolidated net income reached P6.41B (+14% YoY) while consolidated revenues reached P19.27B (+13% YoY). EBITDA likewise grew 13% to P13.02B for an EBITDA margin of 68%. The company said that given their strong results for 9M'11 they are confident that they will attain their full year target for both the country and China, especially with the boost from the nearing holiday season.

Foreign Buying-Selling : 12-month period

Source: Technistock