



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

09 Nov 2011

## MORNING NOTES

### PSEi performance

PSEi Index 08 Nov 2011:	4,314.67 + 42.95
Value T/O, net	Php 2,404 million
52-week High	4,563.65
Low	3,705.18
Foreign Buying:	Php 1,672 million
Foreign Selling:	Php 1,539 million

### Regional performance

Dow Jones	: 12,170.20	+ 101.79
FTSE 100	: 5,567.34	+ 56.52
Nikkei 225	: 8,655.51	- 111.58

### Trading snapshot

Index Movers	Points
PLDT	+8.02
SM Investments Corp	+5.66
Meralco	+4.93
SM Prime Holdings	+4.16
DMCI Holdings	+2.75

Index Out-performers	Up
Belle Corp	5.79%
Megaworld	4.89%
Meralco	4.68%
DMCI Holdings	3.45%
SM Prime Holdings	2.66%

Index Under-performers	Down
Universal Robina Corp.	1.85%
Cebu Air	1.32%
Energy Development Corp.	0.82%
Metrobank	0.70%
First Gen Corp.	0.43%

### Calendar

Nov 09	MPI, AL, GLOI 3Q`11 Results
Nov 09	AT ASM
Nov 10	GMA, ICT 3Q`11 Results
Nov 11	FLI, ALI 3Q`11 Results

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## HEADLINES

### US stocks rise as Italian Prime Minister vows resignation

US stocks gained yesterday (Nov 08) as Italian Prime Minister Silvio Berlusconi promised to resign after a new budget for the country is passed. Stocks started weak in the morning, although the announcement of Berlusconi's intention to step down sparked a late rally. All three major indices ended with sizeable gains with the Dow gaining 0.84%; the S&P, 1.17%; and the Nasdaq, 1.20%. Investors hope that the resignation of Silvio Berlusconi, will clear the way for a new leader that will address Italy's increasing debt problems more aggressively and eventually stop a contagion from Greece that is threatening to undermine the economy of the whole region. Rates of Italy's 10-year government bonds reached close to 7% in yesterday's trading, reflecting investors' increasing doubt on the country's ability to pay its debts. Italy, being the fourth largest economy in Europe next to the UK, Germany, and France, will pose a greater threat to the region's financial stability if it happens to default. Banks were the best performers yesterday with the S&P Financial Index gaining 1.9%. Wells Fargo gained 4.4% yesterday, while Citigroup jumped 2.9%. Volume was light yesterday with only 7.13B shares traded in the NYSE although the VIX volatility index fell 7.9%.

### Security Bank posts 21% higher profits for the first nine months of the year

Security Bank announced that it had earned a total of P4.0B for January to September of 2011, 21% higher than what was recorded a year ago in the same period. This translates to an ROE of 20%. Net Interest Income increased 21% to P5.5B while consumer loans grew 23% to P84.5B. Service Charges and FX Income likewise grew 17% although trading gains declined compared to levels attained a year ago.

Security Bank continued listed banks in terms of profitability for 9M2011. The bank is likewise showing stronger growth in assets and loans. Note that it is unlikely for the bank to top its FY2010 Net Income this year, as the bank realized substantial one-time gains due to its early adoption of IFRS 9.

### CEB posts 26% growth in passenger traffic for third quarter

Cebu Pacific announced that the air liner had transported almost 160,000 passengers for the third quarter of the year, up 26% from what was recorded in the same period last year. Load factor averaged 85% for the quarter.

### Globe posts 7% increase in net income for January to September

Globe Telecom announced that YTD net income and core net income of the company grew 7% and 15% YoY to P7.994B and P8.176B respectively. Service revenues as of end-September reached P49.987M, 9% higher than the same period last year. Service revenues for the third quarter alone reached an all-time high of P17B, 13% higher than recorded in the same period last year. Net income for the third quarter alone however declined by 1% as a result of increase in marketing and depreciation charges. Contributions from Globe's mobile business, which contributes more than 80% of the company's consolidated revenues, rose 7% to P39.7B as of end-September, up 7% from last year's P37B.

## Please Read!

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**Meralco to build additional power plants**

- Meralco confirmed reports that Meralco PowerGen Corp., a wholly owned subsidiary of the company, is currently looking at a number of potential power projects including an additional coal plant, a small gas facility and some renewables. It was reported that Meralco PowerGen Corp. is targeting to increase its power plant portfolio to 2,000 megawatts.

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**Manila Water posts 5% hike in net income for 9M2011**

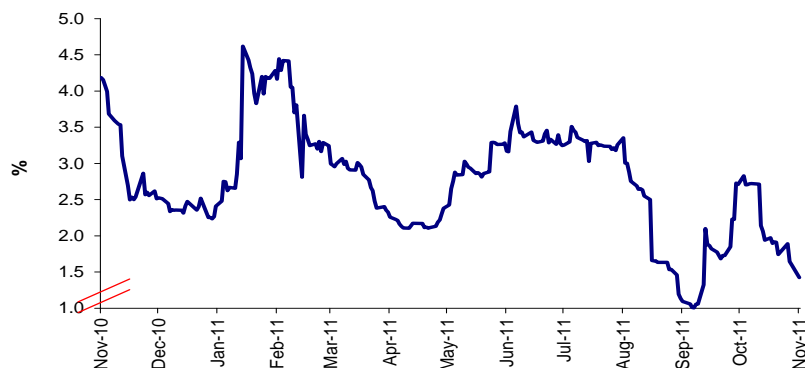
- Manila Water announced yesterday that the company's net income and core net income increased 5% and 13% to P3.11B and P3.33B respectively for the first nine months of the year. Revenues for the said period reached P8.9B, 7% higher than what was recorded a year earlier. Total billed volume from the East Zone, which contributed to around 97% of MWC's nine month revenues, grew 0.7%, while Laguna Water's and Boracay Water's grew 18% and 20% respectively.

**MPIC buying into Asian Hospital**

- MPIC disclosed yesterday that it is had reached an agreement with Bumrungrad International Limited to acquire a controlling stake in Asian Hospital in Alabang, Muntinlupa City for P1.46B. Under the agreement, MPI will acquire 100% of the shares of Bumrungrad International Philippines for P732M, 100% of the shares of Neptune Stroika Holdings for P601M, and 88,545,412 shares of Asian Hospital Inc. for P123M. The deal, which is expected to happen before the end of 2011, will increase MPI's nationwide hospital network to six.

**PLDT acquires Laserwords Private Limited**

- PLDT announced SPI Technologies, Inc., PLDT's principal BPO company, through its subsidiary SPi Technologies India Private Limited, acquired a 100% stake in Laserwords Private Limited from the Marugappa Group of Companies. Laserwords is a company based in Chennai, India engaged in Content Solutions outsourcing services, which include Publishing, New Media, Software, XML and Conversion, Arts & Design, and Commercial services.

**PDS 1-Year Tenor Yield: 12-month period**

Source: Philippine Dealing and Exchange Corp