



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

10 Nov 2011

MORNING NOTES

PSEi performance

PSEi Index 09 Nov 2011:	4,346.20 + 31.53
Value T/O, net	Php 2,314 million
52-week High	4,563.65
Low	3,705.18
Foreign Buying:	Php 2,197 million
Foreign Selling:	Php 1,911 million

Regional performance

Dow Jones	: 11,780.90	- 389.24
FTSE 100	: 5,460.38	- 106.96
Nikkei 225	: 8,755.44	+ 99.93

Trading snapshot

Index Movers	Points
Jollibee Foods Corp.	+5.91
Ayala Corp.	+4.13
Metro Pacific Investments Corp.	+3.07
SM Prime Holdings	+2.69
Aboitiz Power Corp.	+2.64

Index Out-performers	Up
Jollibee Foods Corp.	5.73%
Belle Corp.	3.91%
Robinsons Land Corp.	3.57%
Metro Pacific Investments Corp.	3.36%
Ayala Corp.	2.41%

Index Under-performers	Down
ICTSI	1.08%
PLDT	0.34%
DMCI Holdings	0.26%
San Miguel Corp.	0.25%
JG Summit Holdings	0.20%

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 plunge as high Italian bond yields spur negative sentiments on EU

■ US stocks plunged more than 3% yesterday (Nov 09) as a spike in Italian bond yields add more uncertainty in Europe. All three major indices suffered from a heavy selloff, the worst since mid-August, with the Dow losing as much as 389.24pts or 3.20%. The S&P and the Nasdaq were also down sharply by 3.67% and 3.88% respectively. Italian bond yields spike to 7.502% yesterday, the highest the country have seen since the euro was first introduced in 1999, lifting the European debt crisis to a new level. The 7% level in EU bonds was the critical level where Ireland and Portugal signaled that they needed bailouts to save their economy. 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. All sectors were down yesterday with financial being hit the most. The S&P financial index was down 5.4% yesterday while Morgan Stanley and Goldman Sachs plunged 9% and 8.2% respectively. Bank of America likewise slid 5.7% in yesterday's trading. Volume reached 8.65B shares traded in the NYSE yesterday slightly above last year's daily average of 8.47B. The VIX on the other hand jumped 31.6% reflecting the increasing anxiety of investors toward Europe. Meanwhile, General Motors plunged 10.9% after the company said that they would not break even for the year in Europe as a result of the deteriorating conditions in the region.

MPI posts 34% hike in core net income for 9M2011

■ Metro Pacific Investments Corp. announced that its core net income for the first nine months of the year reached P3.94B, 34% higher than the P2.94B it had managed a year ago. Consolidated reported net income, which included a net foreign exchange loss and non-recurring losses of P508M, likewise jumped 33% to P3.44B from P2.59B a year ago. This resulted in a fully diluted core net income per share at 17.68 centavos, 21% higher than levels attained a year ago. MPI said that the rise in core net income was attributable to higher profit from Maynilad as a result of higher billed volume and tariffs, from Meralco due to higher tariffs, and also from a strong overall performance of the company's hospital businesses. Contributions from MPTC however declined due to the expiration of its income tax holiday. On a pretax basis however, MPTC's net income grew by 21%. As a result of the company's strong performance, MPI is upgrading its full-year forecast to P5B from P4.8B.

UCPB earnings up 18% for January to September

■ The United Coconut Planters Bank announced that its net income for the first three quarters of the year reached P2.25B, up nearly a fifth from P1.88B the previous year. Income from loans jumped 20% higher as the company expanded its loan portfolio by 18% to P51.67B. Both consumer loans and commercial loans grew with the former jumping 34% to P13.88B while the latter, 13% to P37.71B. Consumer loans for the period was bolstered by a continued demand for end-user financing for mid-range residential homes and passenger cars in various locations in the country. Deposits were also higher by 7%, amounting to P146.38B.

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Globe Telecom to spend US\$790M for network modernization program

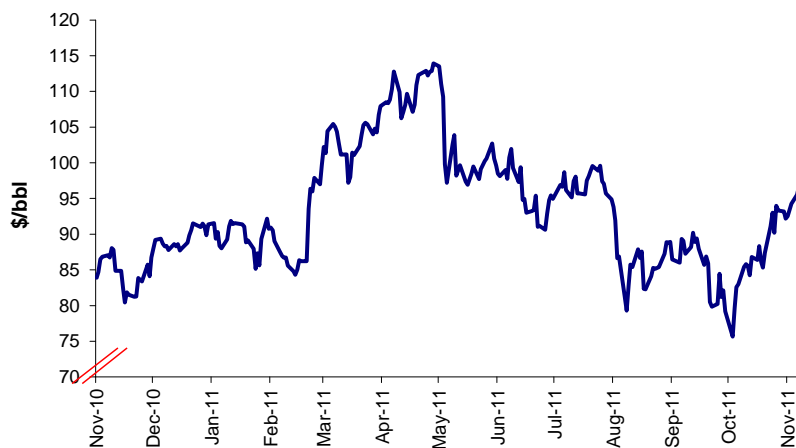
- Globe Telecom announced that it had earmarked US\$790M in spending for the next five years to embark on a network modernization program that aims to improve the company's network quality. Globe Telecom President Ernest Cu said that as a result of the modernization program, there will be minimal dropped calls, customers will experience first-time success rate, minimal delay in SMS delivery, and more pervasive coverage of its 3G network as well as faster coverage performance. The plan will start rolling out next month starting in Davao. Other areas will experience improvements by May or June next year. It was reported that 80% of the said amount will be spent in the next two years, US\$530M in 2012 and US\$110M in 2013.

Ayala Land hikes net income by 30% for 3Q`11

- In a disclosure, Ayala Land announced that its net income for the third quarter of 2011 rose 30% to P2.062B, while consolidated revenues jumped by 20.68%. This brought ALI's 9M2011 net income to P5.932B, up 33% from levels recorded the prior year. Real estate revenues jumped 22.49% in the third quarter while consolidated revenues rose 20.68%. As a result of the company's strong performance so far, ALI is confident that it will meet its 20,000-unit target by yearend.

Atlas posts P2.640B reported consolidated net income for Jan to Sept

- Atlas Consolidated Mining said that consolidated net income for the first three quarters of the year reached P2.640B compared to just P47M the previous year. Atlas said that this was driven primarily by the performance of Atlas's now 100% subsidiary, Carmen Copper Corporation. Net income attributable to just the parent company amounted to P1.603B compared to a net loss of P85M for the same period in 2010.

Nymex Crude 1-Yr Price Chart

Source: Bloomberg