



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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MORNING NOTES

PSEi performance

| | |
|-------------------------|-------------------|
| PSEi Index 11 Nov 2011: | 4,312.96 + 27.90 |
| Value T/O, net | Php 2,468 million |
| 52-week High | 4,563.65 |
| Low | 3,705.18 |
| Foreign Buying: | Php 1,268 million |
| Foreign Selling: | Php 1,164 million |

Regional performance

| | | |
|------------|-------------|----------|
| Dow Jones | : 12,153.70 | + 259.89 |
| FTSE 100 | : 5,545.38 | + 100.56 |
| Nikkei 225 | : 8,514.47 | + 13.67 |

Trading snapshot

| Index Movers | Points |
|--------------------------------|--------|
| PLDT | +5.15 |
| Aboitiz Power Corp. | +4.33 |
| ICTSI | +2.72 |
| Bank of the Philippine Islands | +2.37 |
| San Miguel Corp. | +2.10 |

| Index Out-performers | Up |
|----------------------|-------|
| Megaworld | 3.70% |
| Aboitiz Power Corp. | 3.16% |
| Globe Telecom | 2.55% |
| DMCI Holdings | 2.51% |
| Belle Corp. | 1.94% |

| Index Under-performers | Down |
|--------------------------|-------|
| Alliance Global Inc. | 1.56% |
| Energy Development Corp. | 0.83% |
| First Gen Corp. | 0.57% |
| Robinsons Land Corp. | 0.49% |
| Cebu Air | 0.34% |

Calendar

| | |
|--------|------------------------------------|
| Nov 14 | Sep `11 KB Loans Outstanding Stats |
| Nov 14 | ABS, VLL 3Q`11 Results |
| Nov 15 | Sep `11 OFW Remittances Statistics |
| Nov 16 | VUL, ZHI ASM |

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HEADLINES

US stocks gain on optimism in Italy and Greece

■ US stocks gained on Friday (Nov 11) as investors hope that new leaders in Italy and Greece will bring about progress in dealing with Europe's sovereign debt problems. All three indices posted sizeable gains with the Dow gaining 2.19%; the S&P, 1.95%; and the Nasdaq 2.04%. The recent rally brought the Dow back to the 12,000 level. In Greece, Lucas Papademos, a former central banker, was sworn in as interim prime minister after George Papandreou stepped down. Italy on the other hand appointed Mario Monti as head of their new government. Despite the recent increase, the VIX remained higher than 30, signaling more volatility to come. In corporate news, Walt Disney jumped 6% after the company reported strong annual profits and revenue. D.R. Horton on the other hand fell 1.7% after quarterly profits fell below estimates.

San Miguel posts 6.3% decline in net income for 9M2011

■ San Miguel Corp. said last week that net income for the first nine months of the year decline by 6.3%. Profits fell to P11.9B for the first nine months of the year compared to P12.7B in the same period last year. Recurring net income on the other hand rose 41% to P11.6B. Consolidated revenues reached P393.4B, 143% higher than last year. Petron posted 19 % higher revenues compared to last year as a result of an increase in exports and sales of higher-margin petrochemicals. The conglomerate's core businesses also posted gains with San Miguel Brewery's 9M revenues gaining 7%. San Miguel Food Group meanwhile posted revenues sales growth of 11% to P64.3B. Ginebra San Miguel however posted a 31% contraction in profit as a result of lower demand for liquor products.

PSBank net income higher by 1% for Jan to Sep

■ PSBank announced that net income for the first three quarters of the year amounted to P1.55B, 1% higher than what was recorded in the same period last year. Loans and Investment Interest Revenue jumped by P880M while Trading Income fell by P831M. Customer Loans for the period increased by 12% while Investments grew by 15%. Deposits rose by 14% while bank assets increased to P116.5B. For the covered period, annualized Return on Equity was calculated at 16% while earnings per share was at P6.44

EDC net income down by 7.7%

■ Energy Development Corp. said that net income for the third quarter of the year declined by 7.7% to P1.81B largely due to foreign exchange losses. The company's foreign exchange losses for the third quarter amounted to P285.5M. Revenues however increased by 3% to P6.48B despite loss of revenues from steam sales. Electricity sales for the period also grew to P6.3B from P5.8B in the same period last year. For first three quarters of the year, the company booked a net loss of P487.7M as a result of the absence of steam sales from BacMan and lower market prices in the WESM.

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Ayala Corp. posts 7% jump in 9 month profits

- Ayala Corp. disclosed on Friday that net income for the first 9 months of the year grew by 7% to P7.3B as a result of its strong property, banking, and telecommunications businesses. Revenues gained by 12% to P78.58B although expenses for the period also increase by 12.52% to P63.71B. Ayala Land Inc. posted a 33% increase in net income for the period, while BPI posted a 6% growth in profits. Manila Water and Globe telecom likewise posted net profit increases of 5% and 7% respectively. Ayala Corp.'s auto and electronics businesses however booked losses with the company's Honda and Isuzu dealerships posting a 69% decrease in profits due to supply disruptions caused by the flooding in Thailand. Integrated Microelectronics, Ayala Corp.'s tech arm also posted a 67% plunge in net income due to higher direct labor and material costs.

Filinvest Land Core Net Income grows 15%

- In a disclosure to the PSE, Filinvest Land Inc. said that core net income for the first nine months of the year increased by 15% to P1.661B compared to P1.450B recorded in the same period last year. With one-time gains accounted for resulting from the purchase of its one time partner's 40% stake in Northgate Cyberzone and a portion of Timberland Heights in 2010, net income for the period in 2010 was at P1.991B. Revenues for the period reached P6.138B, 17% higher than P5.251B recorded last year. Real Estate sales, which grew by 18%, accounted for over 71% of the total revenues for the period. Rental revenue on the other hand also grew by 8% as a result of higher occupancy rates and an increase in gross leasable area.

China Bank posts 7.55% decrease in net income for 9M2011

- China Bank said that net income for the period of January to September 2011 decreased by 7.55% due to lower fee based revenues. The bank however said that it had managed to maintain a high Return on Equity Return on Assets at 13.95% and 1.91% respectively. Loan growth for the period increased 20.84% over 2010 levels with corporates growing 21%; commercial, 32%; and consumer, 10%. Net interest income grew by 1.21% while other income increased by 3.57%. Bank assets grew by 2.47% while deposits rose 2.84%

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange