



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

17 Nov 2011

MORNING NOTES

PSEi performance

PSEi Index 16 Nov 2011:	4,341.62	- 22.11
Value T/O, net	Php 4,863 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 3,459 million	
Foreign Selling:	Php 2,612 million	

Regional performance

Dow Jones	: 11,905.60	- 190.57
FTSE 100	: 5,509.02	- 8.42
Nikkei 225	: 8,463.16	- 78.77

Trading snapshot

Index Movers	Points
Bank of the Philippine Islands	-10.72
San Miguel Corp.	+8.22
Universal Robina Corp.	+7.88
PLDT	-7.15
ICTSI	+6.59

Index Out-performers	Up
Universal Robina Corp.	8.35%
ICTSI	4.88%
San Miguel Corp.	4.44%
JG Summit Holdings	1.00%
Ayala Corp.	0.27%

Index Under-performers	Down
Bank of the Philippine Islands	4.04%
Banco De Oro	3.66%
Megaworld	3.38%
Metrobank	2.64%
Philex Mining Corp.	2.36%

Calendar

Nov 16	ARA, ZHI ASM
Nov 16	COL SSM
Nov 17	Monetary Policy Highlights
Nov 18	VUL ASM

Wealth Securities, Inc.

2103 East Tower, PSE Center, Exchange Road,
Ortigas Center, Pasig City 1600
Telephone: 02.634.5038
Facsimile: 02.634.5043

HEADLINES

US stocks decline after Fitch warns US banks' exposure to EU debt crisis

- US stocks declined yesterday (Nov 16) after a report from rating firm Fitch Ratings warned that US banks might be hit hard if Europe's debt crisis spreads. All three major indices ended with significant losses with the Dow shedding 1.58%; the S&P, 1.66%; and the Nasdaq, 1.73%. Stocks saw a sawtooth pattern between slight gains and losses for most of the day but quickly dropped after Fitch furnished its report. Fears that EU's debt crisis is starting to affect economies which were once perceived to be relatively stable rocked the market as the spread of 10-year French government bonds over their German equivalents significantly widened over the past few weeks. French 10-year bond yield was just 2.54% last October 5, but had steadily climbed to 3.69% as of yesterday. Financials were among the worst performers yesterday as S&P's financial sector fell 2.5%. BofA and JPMorgan Chase each shed 3.7%, while Goldman Sachs and Morgan Stanley declined 4.1% and 7.9% respectively.

RCBC Net Income up 11.3% for 9M2011

- RCB reported that its Net Income increased to P4.1B for 9M2011. Though Net Interest Income for 9M2011 dipped by 2.2% to P8.0B, Non-Interest Income increased by 8.3% to P7.1B on the back of strong Fee Income and relatively stable Trading Income. 9M2011 Operating Expenses increased by a fast clip and ended at P9.1B (+17.8% YOY), but was offset by significantly lower Provisions for Losses, which were only at P1.3B (-51.7% YOY) for 9M2011. The bank also announced that its NPL Ratio dropped to 2.1% from 5.5% last year. Its Capital Adequacy Ratio and Tier 1 Ratio improved to 20.3% and 15.3%, respectively, as a result of the investments of IFC and CVC Asia into the bank.
- RCB's 9M2011 Net Income is ahead of our FY2011E Net Income of P4.2B, mainly because of better than expected Trading Income and lower provisioning. However, better opex management should be underway as Operating Expenses increased faster than expected. Lastly, the high capital ratios may provide the bank with leeway to accelerate the write-off of Deferred Charges and facilitate the full clean-up of its Balance Sheet.

DMCI posts 22% higher net income for January to September

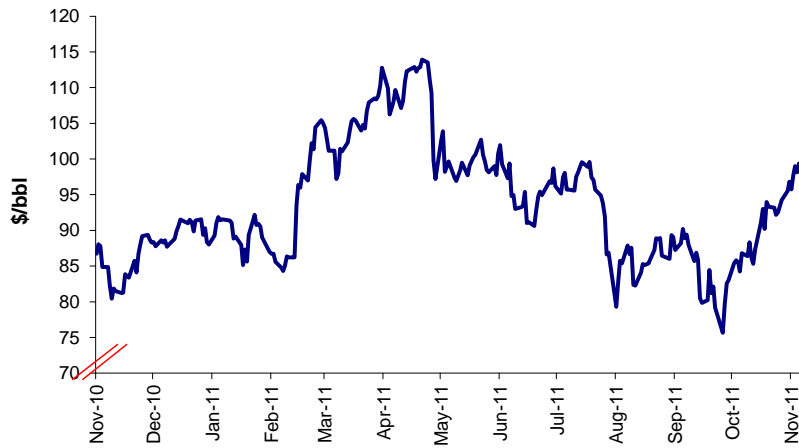
- DMCI announced that its net income for the first nine months of the year reached P7.04B, 22% higher than what was recorded last year. Revenues for the period hit P36.61B, almost a tenth higher than last year's, while cost of sales also increased by 10.2% to P23.82B. DMC said that its mining business served as the key driver to its strong results, contributing an increase of P1.2B in the company's attributable income for the period. Higher coal prices and improved operations resulted in strong results for DMC's mining business. DMC also said that its power generation business also posted significant growth due to higher generation capacity, while its water utility sector and real estate unit also posted significant increases in contributions.

Please Read!

This document was prepared by Wealth Securities, Inc. (WSI) for information purposes only. It is not to be considered as an offer to sell, or as a solicitation of an offer to buy. Although reasonable care has been taken to ensure that the information contained therein is accurate and complete, WSI makes no representation as to its accuracy or completeness. No liability is accepted for any loss arising from the reliance on this information. This document cannot be reproduced in whole or in part by the recipient or another person, nor should it be redistributed by the person or the company to whom it was first addressed. All recipients are urged to make their own assessment as to the accuracy of the information contained herein. All information/opinion is subject to change without prior notice.

PLDT- ASE construction ongoing

- PLDT said that the construction of its US\$300M Asia Submarine-cable Express (ASE) is currently ongoing and is expected to be completed by the third quarter of 2012. PLDT said that after completion, the system will double the company's international bandwidth capacity. PLDT's corporate and retail broadband clients, including subscribers of Smart broadband services are set to benefit from the project.

Nymex Crude 1-Yr Price Chart

Source: Bloomberg