



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

29 Nov 2011

## MORNING NOTES

### PSEi performance

PSEi Index 28 Nov 2011:	4,227.88	- 33.71
Value T/O, net	Php 3,217 million	
52-week High	4,563.65	
Low	3,705.18	
Foreign Buying:	Php 2,437 million	
Foreign Selling:	Php 2,723 million	

### Regional performance

Dow Jones	: 11,523.00	+ 291.23
FTSE 100	: 5,312.76	+ 148.11
Nikkei 225	: 8,287.49	+ 127.48

### Trading snapshot

Index Movers	Points
Aboitiz Equity Ventures	-10.78
PLDT	-5.51
San Miguel Corp.	-3.57
Meralco	-3.45
Universal Robina Corp.	-2.86

Index Out-performers	Up
JG Summit Holdings	1.20%
Ayala Land Inc.	0.89%
Energy Development Corp.	0.67%
First Gen Corp.	0.59%
DMCI Holdings	0.55%

Index Under-performers	Down
Aboitiz Equity Ventures	4.15%
Meralco	3.16%
Semirara Mining Corp.	2.88%
Universal Robina Corp.	2.82%
Jollibee Foods Corp.	2.64%

### Calendar

Nov 29	PHES ASM
Dec 01	Monetary Policy Stance press release
Dec 02	IS ASM
Dec 06	Nov '11 CPI, inflation rate

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## HEADLINES

### US stocks rebound from 7-day slide on short covering

US stocks rebounded from seven straight days of decline as investors cover short positions. All three major indices posted huge gains with the Dow gaining 2.59%; the S&P 2.92%; and the Nasdaq 3.52%. Investors saw the strong holiday weekend shopping, as well as new proposals from European leaders to solve the region's lingering debt problems as an opportunity to cover short positions. European finance ministers discussed aggressive approaches to solving the Eurozone's debt problems such as joint bond sales and tighter fiscal control. This prompted the region's markets to soar with France's CAC 40 and Germany's DAX Index jumping 5.46% and 4.60% respectively. The euro likewise rose against the US dollar in yesterday's trading. Retail stocks were among the best performers yesterday as preliminary estimates show that a record number of shoppers hit the malls during this year's Black Friday weekend. Macy's rose 4.7% while Best Buy Co. jumped 3.4%. Bank stocks also soared on the recent developments in Europe with Citigroup and Morgan Stanley gaining 6% and 4.1% respectively. Despite the recent surge in the stock market, analysts warn that the rebound might be short lived as no concrete plan to rescue Europe had been drawn yet. Yesterday's low volume bounce with only 6.8B shares traded also suggests that skepticism lingers. Fitch Rating's recent move to revise the outlook on US's AAA rating to negative might also serve as a road bump for a market rebound.

### Q3'11 GDP growth disappoints at just 3.2%

The Philippine Government reported yesterday that GDP growth for the third quarter was at just 3.2%, well below analysts' expectations of 4.1%, and NEDA's estimate of 3.8%-4.8%. In addition, GDP growth for the second quarter of the year was also adjusted lower from 3.4% to 3.1%. For the first nine months of the year, the average GDP growth was at just 3.7%, significantly falling short of even the lower end of the government's full year target of 4.5% to 5.5%. The government said that it would now be difficult even to attain the lower end of the said target as the country should attain a 6.9% GDP growth for the fourth quarter to achieve a 4.5% growth for the whole year. The government attributes the disappointing results from a 12.2% decline in construction, as well as a decline in exports of goods (-14.8%) and services (-2.5%). The recessionary environment in Europe weakened global trade and lowered demand for the country's exports. Typhoons and floods also limited growth in agriculture and the fishing industry. Despite the weak growth data, the government expects the economy to pick up in the fourth quarter as spending accelerates.

### Second quarter consumer loans grow 15.1%

A report from the Bangko Sentral ng Pilipinas shows that consumer loans as of end-June 2011 reached P500B, 15% higher than figures recorded a year ago, and also 3.9% higher than the previous quarter's. A 3.3% increase in residential real estate loans pushed the figure higher while Other CLs jumped 13.3%.

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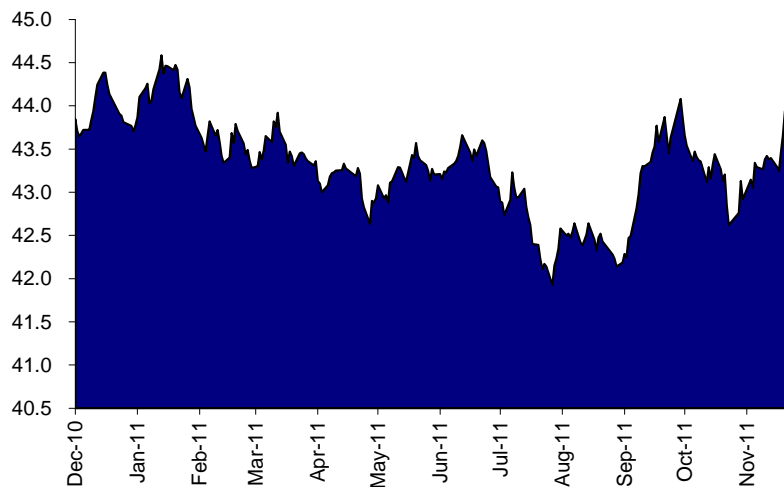
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**Globe Telecom signs P5B loan agreement**

- In a press release, Globe Telecom announced that it had signed a P5B loan agreement with the Rizal Commercial Banking Corp. to fund capital expenditures for 2012. The P5B loan agreement with RCBC is Globe's second this year. Globe signed a P7B loan agreement with another bank last February to fund capital expenditures for 2011 and to prepay debts.

**Cebu Pacific continues buying own shares**

- A disclosure by the company show that CEB bought a total of 73,940 shares at an average price of P69.98 in yesterday's trading. This brings CEB's treasury shares after the transaction to 5,658,220.

**Php versus US\$ : 1-Year Price Chart**

Source: Philippine Dealing and Exchange Corp.