



THE WEALTH VAULT

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MORNING NOTES

PSEi performance

PSEi Index 03 Mar 2011:	3,834.05	+ 60.34
Value T/O, net	Php 2,973 million	
52-week High	4,413.42	
Low	3,034.13	
Foreign Buying:	Php 1,653 million	
Foreign Selling:	Php 1,788 million	

Regional performance

Dow Jones	: 12,258.20	+ 191.40
FTSE 100	: 6,005.09	+ 90.20
Nikkei 225	: 10,586.02	+ 93.64

Trading snapshot

Index Movers	Points
PLDT	+19.28
SM Investments Corp.	+8.00
Aboitiz Equity Ventures	+6.93
Aboitiz Power	+3.85
Jollibee	+3.36

Index Out-performers	Up
Robinsons Land Corp.	7.00%
Lepanto Mining A	4.43%
Jollibee	4.14%
SM Investments Inc.	3.72%
ABS-CBN	3.70%

Index Under-performers	Down
Bank of the Philippine Islands	1.09%
Energy Development Corp.	0.88%
Universal Robina Corp.	0.58%
Manila Water	0.11%
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Calendar

Mar 04	Feb `11 Inflation Rate
Mar 04	AEV/ AP 2010 Results Briefing
Mar 07	Feb `11 Gross Int'l Reserves
Mar 08	Jan `11 Producer Price Survey

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HEADLINES

Wall Street rallies on jobs data optimism

- As oil prices retreated on Thursday (Mar 3) after the Arab League said that Venezuela's proposed peace plan for Libya is being studied, the market's focus shifted to positive economic data ahead of Friday's February U.S. employment report. The median estimate is for a gain of 185,000 jobs. Initial jobless claims fell to a 2 ½ year low last week to 368,000 following strong private-sector hiring. The Institute for Supply Management's non-manufacturing index rose to 59.7 in February. Industrial stocks (+2.4%) including Caterpillar Inc (+3.2%) led the market higher, boosted by a weaker dollar and an improving outlook for global demand. The S&P retail index rose 1.2% as several top U.S. retailers posted bigger-than-expected sales gains for February.

Aboitiz Equity posts full-year 2010 net income of P21.9 B (AEV; P43.15)

- Aboitiz Equity Ventures, Inc. (AEV) posted a full-year 2010 consolidated net income of P21.9B (+163% YoY), or an EPS of P3.96. The Power unit accounted for the lion's share at 85%; Banking, 12% and Food, 7%, offsetting the negative share of the Integrated Transport and Logistics unit. AEV incurred a non-recurring gain of P30M (versus P961M non-recurring income in 2009), which consists of: (1) P786M in foreign exchange net gains; (2) a P4M share in NPC charges that were reversed; (3) a P304M share in refinancing cost of one of the Power unit's associates; and (4) the P456M loss booked for the sale of ATS. Accounting for these non-recurring items, AEV's core earnings was still strong at P21.8B, up 197% YoY from P7.3 bn.

Aboitiz Power reports 343% YoY growth in 2010 net income (AP; P30.10)

- Aboitiz Power Corporation (AP) recorded a 343% YoY increase in 2010 consolidated net income to P25.0B (EPS of P3.40). AP incurred a P613M non-recurring income (versus last year's P368M) resulting from a P1.0B foreign exchange net gain and a P5M reversal of NPC charges for ancillary services, offset by a one-off refinancing cost of P398M for one of AP's associates. Adjusting for these one-off's, AP recorded a 362% YoY growth in its core net income from P5.3B to P24.4B.

MPIC's 2010 core net income up 88% YoY (MPI; P3.47)

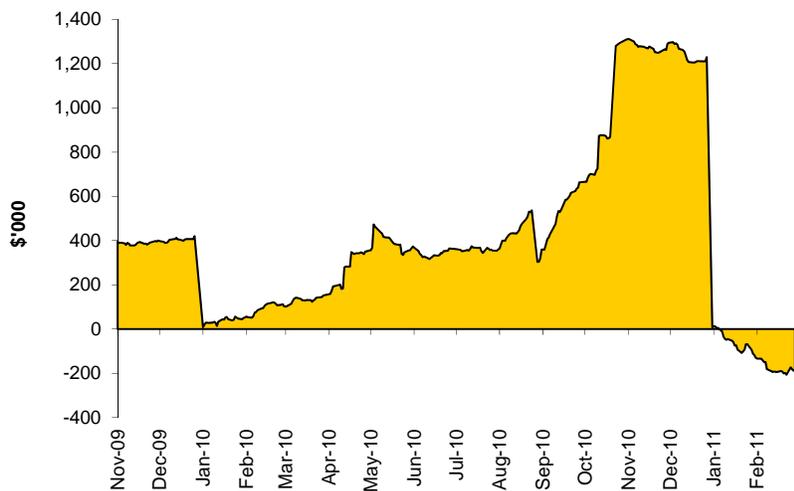
- Metro Pacific Investments Corporation (MPIC) announced consolidated Core Net Income of P3.86B (+88% YoY) for the full year ended Dec 2010 as a result of higher profit contributions from Maynilad Water Services, Inc. (P2.39B or 44%) due to higher billed volumes and tariffs; and Metro Pacific Tollways Corporation (P1.43B or 26%) due to higher average daily traffic and lower maintenance; plus the first full year profit contribution from Meralco (P1.49B or 27%). The Hospital Group's contributed P172M or 3% of the total. Consolidated Reported Net Income, which reflects net foreign exchange loss and other non-recurring losses of P985M, stood at P2.87B (+25% YoY). MPIC also declared a cash dividend P0.015 per common share, to stockholders of record as of Mar 17, 2011 and payable on Apr 12, 2011.

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- Meanwhile, MPIC also revealed that its interest in the Metro Rail Transit Corporation (MRTC) now stands at 48% broken down as follows: 28% from Fil-Estate Corp.; 16% from Anglo Philippine Holdings Corp.; and 4.5% from DBH Inc. MRTC is 100% owned by Metro Rail Transit Holdings II Inc. (MRTH-II) which in turn, is currently owned by Metro Rail Transit Holdings Inc. (MRTH-I) (84.9%); Fil-Estate Properties Inc (8.7%), Fil Estate Corp. (4%), Railway Systems Holdings Co., Inc. (1.4%), Rapid Urban Transit Holdings Inc. (1%) and other smaller shareholders.
- MRTH-I, meanwhile, is owned by Fil-Estate Corp. (18.6%), Anglo Phil. Holdings Corp. (18.6%), Railco Investments Inc. (18.6%), Sheridan LRT Holdings Inc. (16%), Landbank (4.8%) and DBH Inc. (4.8%).
- MPIC intends to acquire another 19.9% interest in MRTC through common shares of MRTH-I which are held by Landbank and the Development Bank of the Philippines and a 2.4% interest in MRTC through common shares of MRTH-II which are also held by the government financial institutions.

Foreign Buying-Selling : 12-month period



Source: Bloomberg