



THE WEALTH VAULT

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MORNING NOTES

PSEi performance

PSEi Index 04 Mar 2011:	3,882.71	+ 48.66
Value T/O, net	Php 2,177 million	
52-week High	4,413.42	
Low	3,034.13	
Foreign Buying:	Php 1,903 million	
Foreign Selling:	Php 1,778 million	

Regional performance

Dow Jones	: 12,169.88	- 88.32
FTSE 100	: 5,990.39	- 14.70
Nikkei 225	: 10,693.66	+ 107.64

Trading snapshot

Index Movers	Points
SM Prime Holdings	+8.07
SM Investments Corp.	+6.59
Energy Development Corp.	+5.19
Metrobank	+5.00
Jollibee Foods Corp.	+4.87

Index Out-performers	Up
SM Prime Holdings	6.44%
Jollibee Foods Corp.	5.76%
Lepanto Mining B	4.26%
ICTSI	4.11%
Lepanto Mining A	3.23%

Index Under-performers	Down
Globe Telecom	4.05%
Bank of the Philippine Islands	1.65%
Aboitiz Equity Ventures	1.51%
First Gen Corp.	0.51%
Manila Water Company	0.46%

Calendar

Mar 07	Feb `11 Gross Int'l Reserves
Mar 08	Jan `11 Producer Price Survey
Mar 08	ICT 2010 Results Briefing
Mar 10	Jan `11 Merchandise Export Perf.

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HEADLINES

Higher oil prices weigh on Wall Street

Wall Street retreated on Friday (Mar 4) as ongoing clashes in Libya reignited fears of more geopolitical turmoil. Oil crude prices closed higher and the CBOE Volatility Index rose 2.7% to 19.11. These overshadowed strong labor data, with U.S. unemployment rate falling below 9% for the first time in nearly two years, and Feb 2011 payrolls rising by 192,000 versus the 185,000 gain consensus. Among consumer-related issues, the homebuilding sector was hurt the most, with Weyerhaeuser (-2.2%), KB Home (-2.6%) and MDC Holdings (-2.6%) down. The KBW bank index lost 1.5% after Bank of America Merrill Lynch said the sector's 1Q earnings could be hurt by rising oil prices as well as by reduced client activity. It also downgraded Citigroup (-3%) and Goldman Sachs (-2.1%) to "neutral" from "buy."

Fitch upbeat on PHL's credit ranking upgrade

Fitch Ratings, whose representatives are scheduled to meet with various units of government beginning March 30, cited the successes made in the local monetary sector that could help make the case for a credit upgrade. However, the London-based rating firm said that public finances remain the Philippines' key rating weakness, with the revenue-to-GDP ratio seen to improve from this year's 15.6% to 16.3% next year but still well below the median of 21% of 'BB'-range countries. In Aug 2010, Fitch awarded the Philippines with a "BB" rating for its long-term foreign currency IOUs plus an outlook of "stable" to indicate that something more positive need happen to the economy to merit a credit upgrade. The upgrade could be as small as a "BB" rating yet again but with a one-notch upgrade to "positive" in outlook to indicate that a few more good things need to happen to the economy to merit the long-sought investment grade status of a "BBB" economy."

PPP project offerings formally launched today

The first five public-private partnership (PPP) projects and their respective timelines will be formally announced during today's launch of the PPP Center in Makati. Public Works Secretary Rogelio L. Singson said operation and maintenance contracts for the Light Rail Transit-1 (LRT-1) and the Metro Rail Transit-3 (MRT-3) lines will be up for sale, while the road projects to be declared "open for bidding" include the linking of the Daang Hari Road and the South Luzon Expressway (SLEx), another link between the SLEx and the North Luzon Expressway (NLEx), and the second phase of the Ninoy Aquino International Airport (NAIA) expressway.

Feb 2011 inflation accelerates to 4.3%

The Philippines' annual headline inflation rate accelerated to 4.3% in Feb 2011 from 3.6% in Jan 2011 due to higher annual rates posted in the indexes of food, beverages and tobacco (FBT), housing and repairs (H&R) and services. Inflation in Feb 2010 was 4.2%. Core inflation, which excludes selected food and energy items, picked up to 3.5% in Feb 2011 from 3.3% in Jan 2011.

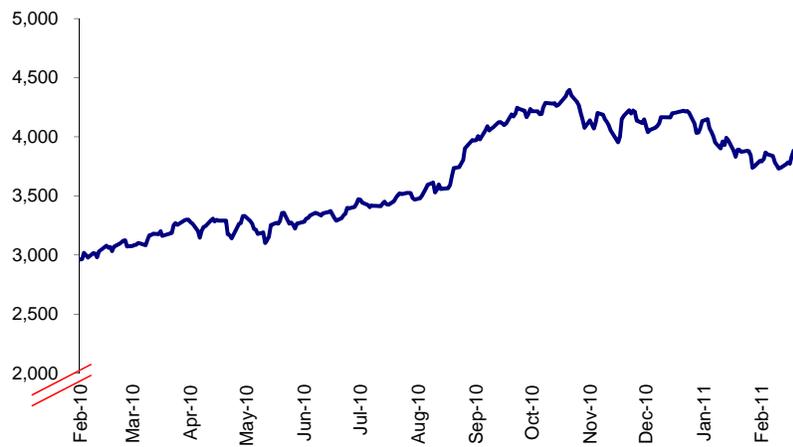
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San Miguel to participate in RPN-9, IBC-13 bidding (SMC; P171.50)

- San Miguel Corp. (SMC) president Ramon Ang said that the SMC group will join the bidding for government's stake in television stations RPN 9 and IBC 13. RPN 9's franchise was estimated at P800M while IBC 13's physical assets and franchise were earlier valued at P1.2B. RPN 9 and IBC 13 can provide the content required by SMC for its telecommunications business via wholly-owned subsidiary Vega Telecom: Liberty Telecom, Eastern Telecom, and Bell Telecommunications. SMC is also in talks to acquire Extelcom.

PSEi : 1-Year Price Chart



Source: Philippine Stock Exchange