



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

16 Mar 2011

## MORNING NOTES

### PSEi performance

|                         |                   |        |
|-------------------------|-------------------|--------|
| PSEi Index 15 Mar 2011: | 3,896.31          | -22.39 |
| Value T/O, net          | Php 3,810 million |        |
| 52-week High            | 4,413.42          |        |
| Low                     | 2,980.52          |        |
| Foreign Buying:         | Php 2,494 million |        |
| Foreign Selling:        | Php 1,874 million |        |

### Regional performance

|            |             |           |
|------------|-------------|-----------|
| Dow Jones  | : 11,855.42 | - 137.74  |
| FTSE 100   | : 5,695.28  | - 79.86   |
| Nikkei 225 | : 8,605.15  | -1,015.34 |

### Trading snapshot

| Index Movers             | Points |
|--------------------------|--------|
| Ayala Land Inc.          | -8.19  |
| Metrobank                | -5.47  |
| PLDT                     | -5.21  |
| Energy Development Corp. | +2.88  |
| Alliance Global Inc.     | -2.66  |

| Index Out-performers     | Up    |
|--------------------------|-------|
| Energy Development Corp. | 1.64% |
| Manila Water Company     | 1.15% |
| Aboitiz Equity Ventures  | 0.85% |
| SM Investments Corp.     | 0.78% |
| SM Prime Holdings        | 0.70% |

| Index Under-performers    | Down  |
|---------------------------|-------|
| Lepanto Mining A          | 5.43% |
| Ayala Land Inc.           | 3.05% |
| Metrobank                 | 2.82% |
| Filinvest Land Inc.       | 2.70% |
| First Philippine Holdings | 2.32% |

### Calendar

|        |   |
|--------|---|
| Mar 17 | EDC `10 Results Briefing                |
| Mar 18 | PEP ASM                                 |
| Mar 18 | Feb `11 BOP Position; BSP final GIR/NIR |
| Mar 25 | FLI `10 Results Briefing                |

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## HEADLINES

### US indexes close slightly lower as they show resilience from Japan selloff

- US stocks showed resilience on Tuesday (Mar 16) as they closed only slightly lower on good Federal Reserve's economic outlook and optimistic views on Japan. Session lows of the S&P 500 fell within 4 points of its 2010 close, a strong support, while the Nasdaq fell negative momentarily for the year. The CBOE VIX volatility index rose 15 percent. The iShares MSCI Japan Index fund (-0.2%) was the most actively traded ETF for Tuesday which suggested that the selloff in Japanese shares was irrational. Reports of low levels of radiation in Tokyo worried investors as the Global X Uranium ETF fell 7.8%. Shaw Group and General Electric Co which are both involved in nuclear energy businesses dropped 2.1% and 1.6% respectively. Other American stocks affected by the crisis in Japan include AIG(-1.9%) and Alcoa(-0.5%). The US\$ denominated Nikkei futures NKc1 fell 4.9%.

### Remittances up 7.6% for January 2011

- Remittances from Overseas Filipinos (OFs) are up 7.6% YoY for Jan 2011 at US\$1.48B. Higher remittances from both sea- (+13.3% YoY) and land- (+6.2% YoY) based workers reflect that demand for skilled Filipino workers abroad remained resilient. Of the total inflows, 80% came from the US, Canada, Saudi Arabia, Japan, UK, Singapore, UAE, and Italy.

### NG reports strong fiscal performance for Jan `11

- The National Government reported a fiscal surplus of P13.4B for Jan `11, a reversal of the P37.1B deficit posted on the same period last year. The surplus resulted from strong remittances of government corporations (P24B) and improved collections of the BIR.

### Nickel Asia key partner incapacitated by Japan quake (NIKL; P19.60)

- Pacific Metals Co., Ltd. of Japan's (PAMCO) Hachinohe Plant has stopped operations due to power blackout and damages to its facilities following the March 11 quake in Japan. PAMCO's ferro-nickel operation is located in the city of Hachinohe, approximately 300 kilometers north of the city of Sendai. More information regarding the schedule for resuming operations will be released after PAMCO makes its initial assessment on the damages. PAMCO is a key customer of Nickel Asia Corp. (NIKL) and holds a 2.80% stake in NIKL, as well as a 36% stake in Rio Tuba Nickel Mining Corporation (RTN) and 33.5% in Taganito Mining Company (TMC). Both RTN and TMC are subsidiaries of NIKL. Nickel Asia will pursue other outlets for the sale of its saprolite nickel ore should PAMCO's plant fail to resume operations in a timely manner. NIKL believes that its shipments for the current year will not be materially affected, given high demand from other customers.

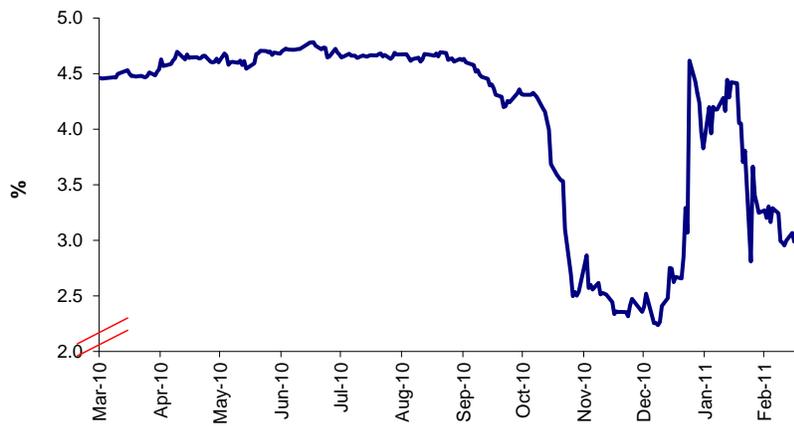
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**Petron net income up 83% to P7.9B (PCOR; P14.64)**

- Petron Corp. posted revenues of P229.1B (+30% YoY) and net income of P7.9B(+83% YoY) for 2010. The company attributed its performance to a 73% surge in petrochemical sales volumes to 3.3M barrels, a 48% rise in export sales to 5.2M barrels and a foreign exchange gain of P1.5B. Meanwhile, domestic sales volume increased by nearly 6% to 43.1M barrels on increased economic activity, aggressive solicitation of new accounts and the expansion of its service station network.

**PDS 1-Year Tenor Yield: 12-month period**



Source: Philippine Dealing and Exchange Corp

