



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 07 Apr 2011:	4,219.43	+ 6.91
Value T/O, net	Php 3,561 million	
52-week High	4,413.42	
Low	3,073.71	
Foreign Buying:	Php 2,198 million	
Foreign Selling:	Php 1,570 million	

### Regional performance

Dow Jones	: 12,409.49	- 17.26
FTSE 100	: 6,007.37	- 33.76
Nikkei 225	: 9,590.93	+ 6.56

### Trading snapshot

Index Movers	Points
PLDT	-8.81
Jollibee Foods Corp.	+8.41
Energy Development Corp.	+5.16
Lepanto Mining A	-2.50
Robinsons Land Inc.	+2.35

Index Out-performers	Up
Jollibee Foods Corp.	8.73%
Robinsons Land Corp.	4.09%
Energy Development Corp.	2.76%
First Gen Corp.	2.11%
Philex Mining	2.05%

Index Under-performers	Down
Lepanto Mining A	7.41%
Lepanto Mining B	3.39%
Filinvest Land Inc.	3.20%
PLDT	1.43%
ABS_CBN	1.19%

### Calendar

Apr 08	Feb `11 KB Loans /Dpst Corp. Survey
Apr 11	SMC `10 Results Briefing
Apr 11	MWC ASM, `10 Results Briefing
Apr 12	ABS `10 Results Briefing

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## HEADLINES

### US stocks end slightly lower as aftershock hits Japan

US stocks ended slightly lower on Thursday (Apr 07) as a 7.4 magnitude aftershock hits Japan. The latest aftershock reignited fears on Japan's fragile nuclear crisis causing the CBOE Volatility Index to jump 1.2% higher. Stocks regained losses incurred in the earlier trading session after positive US economic news hit the market. Trading volume was still light however at just 7.06B shares traded. Costco (+3.8%) led major retailers' gains after reporting strong sales. Macy's also gained 0.8% while Target dropped 2.6%. Stocks involved in rare earth industries also gained sharply with Rare Element Resources and Avalon Rare Metals closing 16.4% and 9.6% higher respectively. Japanese stocks traded in the US dropped on news of Japan's new quake but investors see it as a buying opportunity.

### March Gross International reserves up US\$2.3B to US\$66.2B

The BSP disclosed on Thursday that the country's gross international reserves for March reached US\$66.2B, US\$2.3B higher than that of February. The BSP said that the higher GIR level was mainly attributed to foreign exchange inflows from the most recent batch of global bonds issued by the National Government last March 30 and income from investments of the BSP abroad. Foreign exchange obligations of the BSP however marginally offset the inflows. The BSP estimates that the GIR is capable of covering 10.2 months' worth of import goods and payments of services and income.

### Nickel Asia reports 97% higher Q1 shipments YoY (NIKL; P20.1)

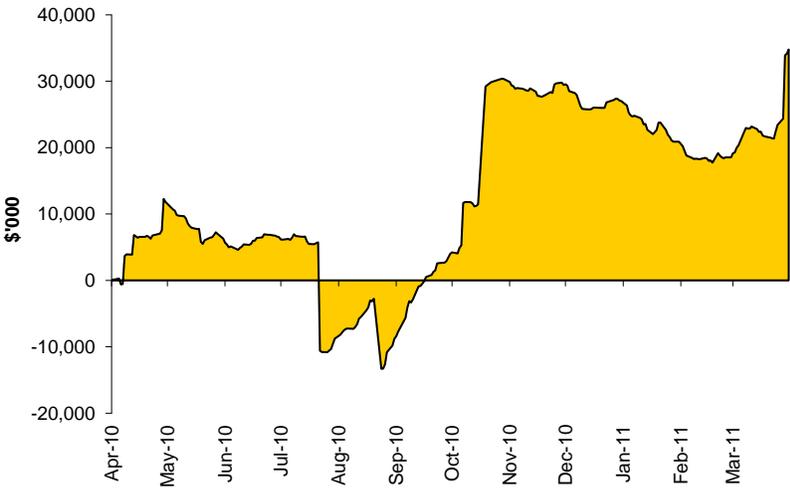
NIKL's revenues from the shipments of nickel ore for the 1Q11 amounted to PhP 1.97B and were 97% higher than 1Q10. Volume was up 8% to 1.4M tons, while ASP was up about 35%. 1M tons out of the 1.4M tons was priced based on contained nickel, with the price for such nickel amounting to \$11.6/lb. vs. \$8.6/lb. last year. The 400k tons which is sold on a per wet metric ton (WMT) basis was sold at \$18.7/WMT vs. \$13.5/WMT last year. In addition, of the 9.9M WMT expected to be delivered this year, 6.6M WMT have been contracted out while 2.9M WMT is for delivery to the Coral Bay Facility. Also, PAMCO, a company in Japan which is one of NIKL's top clients, disclosed that damage to its plant as a result of the Japan earthquake is not severe. Remedial works are currently being conducted.

*The higher revenue seems to be also due to more high grade saprolite being sold. The higher the grade, the more contained nickel there is per WMT. While 1Q volume was lower than our forecast, we expect NIKL to ramp up shipments as the year progresses. Also, we would like to note that the shipments of high grade saprolite ore which were supposed to be delivered to PAMCO were taken up by Chinese customers. Such ore is very marketable and it would not be difficult to find a buyer for it at market prices. Given this upside surprise in 1Q revenues, we remain bullish on NIKL.*

## Please Read!

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**Foreign Buying-Selling : 12-month period**



Source: Technistock