



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

12 May 2011

## MORNING NOTES

### PSEi performance

PSEi Index 11 May 2011:	4,335.04 + 31.91
Value T/O, net	Php 3,094 million
52-week High	4,413.42
Low	3,073.71
Foreign Buying:	Php 1,810 million
Foreign Selling:	Php 2,192 million

### Regional performance

Dow Jones	: 12,630.03	- 130.33
FTSE 100	: 5,976.00	- 42.89
Nikkei 225	: 9,864.26	+ 45.50

### Trading snapshot

Index Movers	Points
DMCI Holdings	+6.36
PLDT	-4.62
Aboitiz Equity Ventures	+5.70
JG Summit Inc.	+5.66
Globe Telecom	+3.26

Index Out-performers	Up
DMCI Holdings	6.79%
Globe Telecom	4.71%
JG Summit Inc.	4.09%
First Gen Corp.	3.31%
Jollibee Foods Corp.	2.17%

Index Under-performers	Down
Energy Development Corp.	1.18%
Aboitiz Power	0.84%
PLDT	0.73%
Universal Robina Corp.	0.65%
Metrobank	0.29%

### Calendar

May 12	ABS 1Q `11 results briefing
May 12	MWC `11 results briefing
May 13	Mar `11 KB Loans, Apr `11 CB Accts
May 13	AC, SMC 1Q `11 results briefing

**Wealth Securities, Inc.**  
 2103 East Tower, PSE Center, Exchange Road,  
 Ortigas Center, Pasig City 1600  
 Telephone: 02.634.5038  
 Facsimile: 02.634.5043

## HEADLINES

### US stocks decline as commodities sank sharply

- US stocks declined on Wednesday (May 11) as falling commodity prices stopped the market's rally. Oil fell sharply after dollar prices rose leading US stocks to nearly erase gains experienced from a recent 3-day rally. All three indices were down with the S&P declining the largest at 1.1% while the Dow and the Nasdaq shrank 1% and 0.9% respectively. The second sharp decline of commodity prices within a week led investors to doubt the momentum of the economic recovery and also led them to sell risky assets including stocks. Energy stocks were the biggest drag with S&P's energy index .GSPE closing 3% lower after trading.

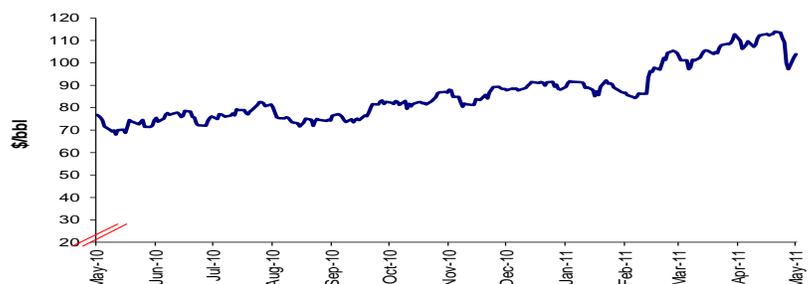
### Nickel Asia brings in Sumitomo Mining as partner (NIKL; P22.2)

- Nickel Asia announced yesterday that it signed an agreement with Sumitomo Mining (SMM), also a shareholder of NIKL, containing the terms of SMM's participation in Cordillera Exploration, Co., Inc (CEXCI), a subsidiary of NIKL. Under the agreement, SMM will invest \$1.5M in CEXCI for 25% equity. Once such funds have been exhausted, SMM may invest \$2.8M for an additional 15% equity. The funds will be used for CEXCI's exploration activities. NIKL bought CEXCI last year and is the first step of its foray into copper and gold.
- NIKL's plan to increase exposure to other commodities, in this case copper and gold, is a good strategy moving forward. For one, the company will be able to diversify its risks and revenue stream to metals other than nickel. In addition, with commodity prices on the rise, NIKL will eventually reap the rewards of increasing its metal production. We think this is the beginning of NIKL's transformation into a diversified miner. As such, we reiterate our BUY rating on NIKL with a target price of Php 29.11/share.*

### Ayala Land reported net income up 36% YoY to P1.6B for 1Q `11 (ALI; P16.42)

- Ayala Land reported that its net income for 1Q `11 rose 36% YoY to P1.6B while revenues rose 15% to P10.6B. ALI attributes the stronger revenues from steady completion of projects and also from strong sales of its Alveo and Avida line of products. ALI's property development, commercial leasing and hotels and resorts businesses were up 24%, 15.5% and 16.2% respectively. ALI projects that its net income will continue an uptrend for the next three quarters of the year.

### Nymex Crude 1-Yr Price Chart



Source: Bloomberg

### Please Read!

This document was prepared by Wealth Securities, Inc. (WSI) for information purposes only. It is not to be considered as an offer to sell, or as a solicitation of an offer to buy. Although reasonable care has been taken to ensure that the information contained therein is accurate and complete, WSI makes no representation as to its accuracy or completeness. No liability is accepted for any loss arising from the reliance on this information. This document cannot be reproduced in whole or in part by the recipient or another person, nor should it be redistributed by the person or the company to whom it was first addressed. All recipients are urged to make their own assessment as to the accuracy of the information contained herein. All information/opinion is subject to change without prior notice.