



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

19 May 2011

MORNING NOTES

PSEi performance

PSEi Index 18 May 2011:	4,303.31	+ 41.71
Value T/O, net	Php 3,401 million	
52-week High	4,413.42	
Low	3,073.71	
Foreign Buying:	Php 2,033 million	
Foreign Selling:	Php 1,811 million	

Regional performance

Dow Jones	: 12,560.18	+ 80.60
FTSE 100	: 5,923.49	+ 62.49
Nikkei 225	: 9,662.08	+ 95.06

Trading snapshot

Index Movers	Points
ICTSI	-14.38
PLDT	+12.83
Aboitiz Equity Ventures	+7.48
Energy Development Corp.	+6.81
Lepanto Mining A	+6.11

Index Out-performers	Up
Lepanto Mining B	16.05%
Lepanto Mining A	12.82%
Energy Development Corp.	3.77%
DMCI Holdings	3.01%
Aboitiz Equity Ventures	2.73%

Index Under-performers	Down
ICTSI	10.20%
ABS-CBN	2.26%
JG Summit Holdings	1.54%
Universal Robina Corp.	0.84%
Globe Telecom	0.58%

Calendar

May 19	Apr `11 BOP position; BSP GIR, NIR
May 19	SPM ASM
May 20	ACR ASM
May 24	LIB, CEI ASM

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HEADLINES

US stocks rebound as commodity prices recover slightly

US stocks rebounded on Wednesday (May 19) after consecutive losses as commodity prices recover slightly. All three major indices were up with Nasdaq gaining the most at 1.1% and the Dow and the S&P gaining 0.6% and 0.9% respectively. US oil once again closed above US\$100 a barrel after the Dept. of Energy reported that oil supply did not rise as expected. This prompted energy stocks to rebound as Chevron and Exxon gained around 2% each. Analysts agree that the rally in commodity prices is a good sign for the economy although doubts about its sustainability are still present. Concerns on the European debt crisis are also expected to continue to be a headwind for the next few trading days. Earnings reports were mixed. Dell rose 5.4% after reporting profits on Tuesday that exceeded analysts' expectations; and raising forecasts for the year. Analog Devices Inc. also jumped 5.9% after posting strong quarterly profits that topped expectations. Staples on the other hand tumbled 15.4% after lowering their full year outlooks.

GSIS to increase investment locally after foreign investments disappoint

GSIS, a Philippine state pension fund, plans to boost investment in local debt and equities once it repatriates its \$670M foreign investments which have suffered from low returns. The fund, which has P580B in assets, plans to increase holdings in stocks from 6% to 9% of investible funds. The cap for fixed income investment will be raised from 42% to 50%. Based on our estimates, this would translate to an additional investment in equities and fixed income of P13B and P35B, respectively.

ICT recorrects after its inclusion to the MSCI Philippines Index was reversed

International Container Terminal Services, Inc., the Philippines' biggest port operator, tumbled 10% after MSCI reversed its decision to include it in the MSCI Philippines Index. ICT surged 13% the previous day, the sharpest gain since October 2008 and the highest close since March 1992. MSCI said in an e-mail that the stock will not be added to the index due to "low foreign room." Without giving further details, MSCI said that the "foreign room" must be at least 25 percent. ICT closed at 50.65 pesos.

Aboitiz Power to fund P50B power projects through financing (AP; P29.90)

Aboitiz Power Corp. reported that they are currently seeking P50B to fund its planned 600MW Subic and 150MW Davao coal powered plant projects. AP said that they are targeting July to start construction although this depends on the timely completion of the needed permits and endorsements. Two thirds of the P50B will go to the 600MW Subic plant while the remaining will be for the smaller-output Davao plant.

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Nymex Crude 1-Yr Price Chart



Source: Bloomberg