



# THE WEALTH VAULT

A Product of Wealth Securities, Inc.

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## MORNING NOTES

### PSEi performance

PSEi Index 07 Jul 2011:	4,375.85	- 22.90
Value T/O, net	Php 3,234 million	
52-week High	4,464.23	
Low	3,281.38	
Foreign Buying:	Php 1,639 million	
Foreign Selling:	Php 1,694 million	

### Regional performance

Dow Jones	: 12,719.50	+ 93.47
FTSE 100	: 6,054.55	+ 51.63
Nikkei 225	: 10,071.10	- 11.34

### Trading snapshot

Index Movers	Points
SM Investments Corp.	-7.94
Ayala Land Inc.	-5.70
Bank of the Phil. Islands	-3.27
Philex Mining	+2.35
Energy Dev't Corp.	+2.27

Index Out-performers	Up
Philex Mining	2.28%
First Gen Corp.	2.08%
Energy Dev't Corp.	1.16%
Ayala Corp.	0.93%
Filinvest Land	0.80%

Index Under-performers	Down
SM Investments Corp.	2.89%
Globe Telecom	2.76%
Ayala Land Inc.	2.11%
Jollibee Foods Corp.	2.02%
Robinson Land Corp.	1.23%

### Calendar

Jul 08	FPI, PWR ASM
Jul 08	Jun '11 Rediscount Rate
Jul 11	KB Loans
Jul 12	PCOR ASM

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## HEADLINES

### US stocks gain as retail and jobs report push stock higher

- US stocks rallied on Thursday (Jul 07) as strong numbers on retail sales and job reports boost the market. All three major indices posted huge gains with the Nasdaq, gaining for the eighth straight day, closed 1.4% higher. ADB reported that more than 157,000 jobs were added last month, double of what was expected. Strong sales data from retailers also served as a headwind for the market, sending retail stocks soaring. Target, Macy's and Gap gained 6.7%, 5.5% and 5.2% respectively. Looking forward, the Labor Department will release its monthly employment data on Friday which many regard as more indicative of the economy than ADB's

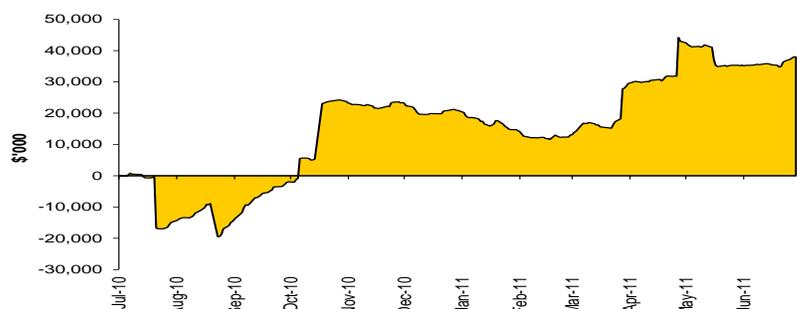
### Government signs approval of REIT

- Finance Secretary Cesar Purisima announced on Thursday that he had signed the real estate investment trust (REIT) revenue regulations of the BIR and that it will be published soon. REIT will enable the country to enlarge its capital market and would also allow the public to invest in prime real estate assets. Despite the benefits of REIT, key players in the industry are still skeptical of how many companies are actually willing to subscribe to it as companies will be unwilling to dilute their ownership below 60%. As per the SEC, REITs must have a minimum of 40% public ownership, increasing to 67% after 3 years. The lack of VAT exemption in the initial transfer of property assets to REIT vehicles is also another hurdle to its success, although the BIR insists that other perks of REITs will eventually make up for the issue.

### Cebu Air forecasts lower profit for 2011 (CEB; P87.05)

- Cebu Air CEO Lance Gokongwei said in the company's stockholders' meeting yesterday that they expect a drop in the company's profit this year due to higher fuel costs and aggressive competition from other players in the industry. He however assured stockholders that they have taken measures to counteract the volatile oil prices and that the company's business model is still very sustainable. Fuel surcharges and baggage fees will help offset the higher oil prices, which Gokongwei said the effects of will be seen starting the second quarter. Despite the higher cost of oil and the stiffer competition, the company remains optimistic that it will hit its target of 12M passengers this year.

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



Source: Technistock

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