



PHISIX	2967.71+4.47	DJIA	10,268.81 (+169.97)
Value (Pm)	2282	NASDAQ	2214.19 (+30.66)
Gainers/ Decliners	59/53	PHI	55.43 (+0.64)
Foreign Buying (Pm)	570		
Foreign Selling (Pm)	525	FX :P/US \$ avg	46.169
Net Foreign Buying (Pm)	45		

SM Development Corp. (SMDC) reported a consolidated net income of P1.8 bn, growing 31-fold from P56.8 m in 2008. Of the total, net income from real estate operations amounted to P1.5 bn, an increase of 36% from P1.1 bn in the same period the previous year. Consolidated revenue reached P5.3 bn, 73% higher than that of 2008. Earnings before Interest, Taxes, Depreciation, and Amortization amounted to P2.1 billion, for an EBITDA margin of 40 %. Realized revenue from real estate operations in 2009 jumped 73% to P5.3 bn from P3.1 bn in 2008. For the whole of 2009, SMDC pre-sold 4,892 residential units worth approximately P10.5 bn. Compared to the same period in 2008, the number of units pre-sold increased by 133%.

The Asian Development Bank expects a double-digit increase in the country's export earnings and employment this year as a result of improving global economic conditions. ADB said exports would likely increase by 14.6% to \$56.25 bn this year, rebounding from the 22-% contraction registered last year. The expansion is attributed to a recovery in global demand for goods and services. ADB said the recovery of the Philippines' export sector would be consistent with the rebound of exports of other developing Asian countries.

The SEC has allowed Petron Corp. to offer 50m preferred shares, with an oversubscription option for another 50m shares. The permit sale was issued last Friday, Petron said in a disclosure to the Philippine Stock Exchange. This will allow Petron, to raise as much as P10 bn that it can use to finance major capital investment projects this year, particularly its aggressive retail expansion and refinery upgrades. The proceeds from our issuance will fund our capital expenditures with the goal of enhancing our market dominance and ensuring Petron's growth momentum for many years to come. The perpetual preferred shares are being offered from Feb. 15 to 26 at P100 a piece. The shares will be listed on the local bourse on March 5. According to Petron, the preferred shares are cumulative, non-voting, non-participating, non-convertible and peso-denominated with a dividend rate of 9.5%p.a.

Manila Electric Co., may have overcharged its customers by at least P6 bn for the years 2004 and 2007, according to the Commission on Audit. COA said certain operating expenses amounting to P3.48 bn and P2.92 bn for 2004 and 2007, respectively, were not considered recoverable from consumers as these were "not reasonable and necessary in the delivery of distribution services." These included, among others, employee pension and other benefits. In a briefing Tuesday, ERC executive director Francis Juan said the more than P6 bn included by Meralco in its operating expenses that COA wanted to disallow for 2004 and 2007 may be refunded to consumers should the commission decide to uphold the conclusions made by the audit agency. However, he said the COA results would have to be subjected to public consultations before the ERC could deliberate and decide on the issue. The ERC has directed all parties involved in the case to submit their respective comments within 15 days.

The Bureau of the Treasury Tuesday awarded P2.5 bn in fresh issues of 10-year T-bonds Because investors asked for too much of an increase in yields, the partial award Tuesday was barely 30 % of the original P8.5-bn offer. The float was oversubscribed as buyers tendered a total of P12.835 bn. At a coupon

rate of 7.75 percent, Tuesday's float was 2.4 basis points less than the 7.774-% interest rate on the previous 10-year T-bond issued in August 2009.

US Stocks finished at session highs and offered stocks a broad-based support. Nearly 95% of the names in the S&P 500 booked gains this session. Strongest were energy plays (2.7%), helped by a +3.9% spike in crude oil prices settling at \$77.01 per barrel. Oil helped the CRB Commodity Index extend its gains +2.6%w-o-w, the best single-session gain by percent since mid-November. Bid for commodities was supported by weakness in the U.S. dollar, retreating by -0.9% against a basket of foreign currencies. The move marked the dollar's worst drop since late November and a weak follow through from the gains that posted last week, when the Dollar Index hit a multimonth high as global participants sought safety in amid uncertainty surrounding Greece's fiscal health. Neither a specific plan nor a concrete development regarding the matter has been unveiled. Better-than-expected earnings from British banking giant **Barclays** (BCS 19.03, +2.35) helped win support for shares of lenders and diversified banks. All 24 members of the KBW Bank Index advanced and gave the KBW a 2.9% gain -- its best single-session percentage move in more than one month. Shared strength among banking issues helped **JPMorgan Chase** (JPM 40.07, +1.12) following news that it will pay nearly \$1.7 bn for the Asian and European operations of the RBS-Sempra commodities joint venture. The company later announced that its net credit losses for January spiked to 10.91% from 7.11% in December, but its shares still finished with a near 3% gain at their session high. Though strength was broad based this session, Dow component **Kraft** (KFT 28.97, -0.12) was unable to find support. Though it posted a solid quarterly report. **Pfizer** (PFE 17.72, -0.08) was the the other Dow component to book a loss. It failed to attract support from fellow pharmaceutical giant **Merck** (MRK 37.66, +0.74), which offered investors in-line earnings results for its latest quarter. Though MRK booked a gain, it wasn't enough to help the health care sector keep up with the broader market. Health care, as a group, advanced 0.9%, which is about half of what the broader market gained. Nasdaq +30.66 at 2214.19... S&P Midcap 400 +1.6... NYSE Adv/Dec 2526/511... Nasdaq Adv/Dec 1923/755.

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