RCBC Securities Inc.

DAILY UPDATE **Monday 1 March July 2010**

PHISIX	3,078.91(+35.16)	DJIA	10,325.26(+4.23)
Value (Pm)	3,224	NASDAQ	2,238.26(+4.04)
Gainers/ Decliners	81 / 34	PHI	56.30(+0.65)
Foreign Buying (Pm)	1,380		
Foreign Selling	1,268		
Net Foreign Selling	112	FX :P/US $ avg	46.163

Banco De Oro Unibank, Inc. (BDO) reported that its net income of P6.1bn for 2009 more than doubled previous year's on higher interest earnings. BDO, the country's largest bank in terms of assets, said its net income reached P6.1bn last year from P2.2bn in 2008, and surpassed its P5.5bn target for 2009. The bank attributed the surge to "robust growth in operating income and a slower increase in operating costs.Net interest income was driven by the 20% expansion in gross customer loans to P472.7 bn, and growth in low-cost deposits.Loan demand was sustained across all market segments, while low-cost deposit growth was fueled by additional branch redeployments.BDO said profits from its non-lending operations grew by 13%, while service fees, exclusive of trading income and one-time gains increased by 12%, but did not provide details.

The latest Business Expectation Survey, conducted by the central bank from Jan. 5 to Feb. 12, the employment outlook index reached an all-time high of +22%. This was a jump from the +8.7 registered in the last quarter's survey and a reversal of the -8.2% recorded in the survey conducted in the first quarter of 2009. The employment outlook index from the latest survey, which covered 1,664 companies belonging to the country's top 7,000 corporations, means that more companies expect to hire additional workers in the second quarter. The employment outlook index is determined by subtracting the number of respondent companies that expect to hire additional employees in the next quarter from the number of firms that do not expect to do so. Many companies have a bullish outlook [on the economy and on their profitability) and are considering hiring more workers according to BSP Deputy Governor Diwa Guinigundo said Friday.

US stocks spent most of the session trading listlessly in a tight range.Players were generally unmoved by the revised 4Q09 GDP numbers. The headline growth rate was upwardly revised to reflect 5.9% annualized growth rate, which exceeded expectations, but the personal consumption component increased at a softer-than-expected clip of 1.7%. Core personal consumption expenditures increased at a faster-than-expected quarter-over-quarter clip of 1.6%, though. The rest of the morning's economic data also failed to lift the mood of market participants. Specifically, existing home sales for January made a surprise 7.2% month-over-month drop to an annualized rate of 5.05m units. Meanwhile, the final February Consumer Sentiment Survey from University of Michigan was little changed at 73.6 and in-line with expectations. During recent months weakness in the dollar has been cause for stock market gains, but participants shrugged off the dollar's latest dip. The greenback had gyrated in the early going as the euro garnered support as news that United Kingdom GDP was upwardly revised overshadowed the latest batch of headlines regarding Greece's fiscal woes. The greenback eventually rolled over to finish with a 0.5% loss against competing currencies. **JPMorgan Chase** (JPM 41.97, +1.33) led the financial sector to a 0.7% gain, which was better than that of any other major sector. Though there was no specific news item to account for strength in JPM, it was still able to put together its best single-session percentage gain in more than three months. **AIG** (AIG 24.77, -2.74) was a laggard in the financial sector, its worst single-session loss in three months with its quarter results disappointing. Better-than-expected bottom line from **Gap** (GPS 21.50, +1.11) helped shares of the retailer put together their best single-session percentage gain since September. Though the broader market was able to eke out a gain, it wasn't enough to turn stocks positive for the week. Instead, the S&P 500 settled with a weekly loss of 0.4%. Despite that slip, the stock market finished February with a 2.8% monthly gain. Commodities finished the month on a strong note. CRB Commodity Index finished the session with a 1.2% gain, which helped drive a 3.5% monthly gain. Treasuries had a relatively quiet session. Though the benchmark 10-year Note settled off of its high, it still netted a few ticks to push its yield back toward 3.60%.

Share prices which closed 12 points higher to PSEi 3043.75 was buoyed up by news of US GDP rising better than expected at 5.9%. This offset the drop in existing home sales and AiG worse than expected quarterly decline.

The US and Europe vowed to come to Chile's aid as relief workers rushed to Western hemisphere's second enormous earthquake in 7 weeks. The appeal came in the face of an 8.8 magnitude quake last Saturday causing some 300 people to die. At lease 1.5m homes were damaged in the pre-dawn quake, roads were ton up and buildings reduced to rubble in the nation of 16m people.