



PHISIX	3,061.89(-17.02)	DJIA	10,405.98(+2.19)
Value (Pm)	3,565	NASDAQ	2,280.79(+7.22)
Gainers/ Decliners	46/ 74	PHI	57.76(+0.21)
Foreign Buying (Pm)	1394		
Foreign Selling	1292		
Net Foreign Selling	102	FX :P/US \$ avg	46.097

PLDT 's core net profit for '09, (excluding FX, investment gains/losses), at P41.4 bn, up 8 % from a year earlier. Including such gains or losses, net income grew 15 % to P39.8bn 2009 from P34.6 bn a year earlier. For this year, PLDT chair Manuel V. Pangilinan said he expected the company to post a "slightly higher" profit than in 2009. The company said 2009 net profit would have been higher if not for natural calamities that hit the country in the third quarter. The residual effect of the third quarter's calamitous events somewhat dampened the normal holiday boost of the fourth quarter, resulting in softer financial results. According to CEO Napoleon Nazareno. Contributing to the company's strong financial results were earnings of its subsidiary Pilipino Telephone Corp. (Piltel), which earlier in the year operated mobile brand Talk N' Text, but was later converted into a holding firm for PLDT's stake in Manila Electric Co. (Meralco). Piltel posted a core net income of P8.7 bn in 2009, 23 % down from the P11.3bn in 2008. But reported net income, which accounts for the one-time gain coming from the sale of Piltel's mobile phone business to its affiliate Smart Communications, and a mark-to-market gain of P1.2bn on a derivative asset linked to the exchangeable note related to Piltel's acquisition of Meralco propped up Piltel's net income by 57 % to P17.9 bn. PLDT's wireless service revenues reached P95.8 bn for 2009, which made up the bulk of the company's earnings, or a 2-% rise year-on-year. This came as the company's mobile phone subscriber base reached 41.3m at the end of the year, or 17 % up from 2008. The company's broadband subscriber base likewise grew to over a million. The company said it has spent P28.1 bn in 2009, or higher than the firm's P27-bn capital expenditure guidance for the year, reflecting the acceleration in investments to expand PLDT's broadband network. For 2010, the company said it planned to spend P28.6 bn as part of its "continuing investment in the network to support the take-up of broadband, higher voice usage, on top of maintenance capex."

-San Miguel Corp. acquired a majority stake in Ausphil Tollways Corp.—a Filipino-Australian consortium and the main project proponent for the North Luzon East Expressway (NLEE). Once completed, the NLEE will extend from Commonwealth Ave. in Quezon City to as far north as Tuguegarao City in Cagayan province, on Luzon's eastern seaboard. The NLEE is expected to have adverse implications for vehicle traffic that uses the North Luzon Expressway (NLEx), which is owned and operated by Metro Pacific Investments Corp.—SMC's rival for dominance in the toll road business. The bulk of vehicular traffic between Manila and northern Luzon goes through NLEx. The completion of NLEE will allow vehicles traveling between Manila and central and northeastern Luzon—potentially as much as half of NLEx's existing volume—to bypass the MPIC-run highway altogether. The NLEE project is an unsolicited built-transfer-operate project for the development, financing, operation and maintenance of the toll concession corridor. NLEE has been designated as an official toll road project by the Toll Regulatory Board (TRB), the government agency in charge of supervising toll highways nationwide. The cost of San Miguel's acquisition of Ausphil remains a closely guarded secret, although an industry source familiar with the project said that phase one of the NLEE project would cost as much as P9.3 bn. Phase one of NLEE involves the construction of an 18.9-km, four-lane toll road from Commonwealth Ave. in La Mesa, Quezon City, to Norzagaray, Bulacan. The SMC-led consortium will secure the land for the expressway with the help of the

right-of-way privileges of the Metropolitan Waterworks and Sewerage System (MWSS), which supervises the land around its watersheds. The source added that phase one of NLEE would take about 16 months to construct, within which the consortium will also secure its concession agreement from the TRB.

Ionics EMS Inc. is seeking a voluntary delisting from the Singapore Exchange Securities Trading Ltd. to cut on compliance costs given its thin trading volume. In order to take the subsidiary back to private ownership, parent company Ionics Inc. will make a **cash** offer to buy all outstanding shares that it does not own yet at S\$0.015 a share. Ionics controls Ionics EMS with its ownership of about 1.4 billion shares representing 90% of its total equity. The exit offer is extended to all shareholders holding the remaining 10%.

US Stocks gained in the previous two sessions and in two of the last three weeks. The Nasdaq and S&P 500 ended in positive territory for the year Monday for the first time in six weeks. The gains were surprising considering the recent batch of weaker-than-expected economic news, especially in housing, consumer confidence and consumer spending. Worries about Greece and a broader euro-zone debt crisis caused the more than nine-month-old U.S. stock rally to halt and do an about-face in mid-January. Mixed readings on the U.S. economy have added to the stock market weakness as investors have worried that the recovery won't be as robust as had been hoped. Investors are gearing up for a busy three days of economic news. The highlight is Friday's government jobs report, expected to show continued weakness in the labor market. Stocks still vulnerable: The mid-January to early February selloff sent the S&P 500 down over 9% and the Dow and Nasdaq down more than 7%. But that selloff is unlikely to be the last big retreat this year, or even in the first half of the year said, considering the size and pace of last year's rally. Between bottoming at a 12-year low in March of last year and hitting a 2010 high on Jan. 19, the Dow gained 64% and the S&P 500 gained 70%. After bottoming out at a six-year low last March, the Nasdaq gained 83% through Jan. 19. Market breadth was positive. On the New York Stock Exchange, winners beat losers by more than two to one on volume of 835 million shares. On the Nasdaq, advancers topped decliners by less than two to one on volume of 2.52 billion shares. Hoenig, a voting member of the Fed's policy committee, was the only Fed official to vote against the group at the last Fed meeting in January, when the bankers opted to hold interest rates steady at levels near zero. However, rates are not expected to rise for some time, as has been indicated by recent comments from Chairman Ben Bernanke and other voting members of the Fed's policy-setting committee.

Crop damage due to the El Niño weather disturbance had reached P11.195 bn as of March 1, according to preliminary estimates from the Department of Agriculture. That figure was up 197 percent from the initial damage estimate of P3.77 bn made last Feb. 16. About 298,852 tons of rice worth P5.08 bn had been lost to the prolonged dry spell, as well as 460,848 tons of corn worth P6 bn. The figures were about three times the damage estimates earlier made for rice (P1.758 bn) and corn (P2 bn). Damage to high value crops such as fruits and vegetables reached 25,692 tons, valued at P115 m. Apart from crops, fishery products were also affected. Some 34 tons of various fishery products were lost, valued at P943,440.

Energy Secretary Angelo T. Reyes, however, insisted that Monday's rotating brownouts were "very unusual" and likely not to be repeated up to the May 10 elections. "The power situation in Luzon [last Monday] was very unusual. I don't see this [happening again]. The probability is very low that it could happen again," he told Palace reporters. POWER interruptions were averted yesterday in Luzon after supply was secured from the Visayas but officials warned the situation remained precarious.