

Tuesday, March 11, 2008

DAILY MARKET EDGE

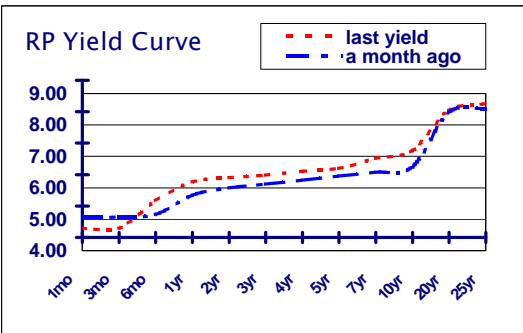
Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills		\$/Php	3/10/2008	3/7/2008	As of	01/00/00	12:00 AM
91D	3.673	3.672	0.960	03/10/08	3MO	5.067%	Open	40.950	40.850	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	03/10/08	6MO	5.067%	High	41.200	40.900	JPY	101.790	101.800
364D	5.266	5.271	2.830	03/10/08	1YR	5.150%	Low	40.930	40.720	IDR	9240	9250
							Close	41.140	40.850	SGD	1.389	1.390
							Ave.	41.074	40.812	TWD	30.586	30.595
							Vol.	759.650	676.830	THB	31.560	31.600
										HKD	7.790	7.790

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	03/10/08	2YR	5.992%
5YR	5.750	5.750	7.000	03/10/08	5YR	6.371%
7YR	6.500	6.500	7.500	03/10/08	7YR	6.496%
10YR	5.875	7.750	7.500	03/10/08	10YR	6.671%
20YR	8.625	8.000	7.000	03/10/08	20YR	8.402%
25YR	8.500	9.375	7.000	03/10/08	25YR	8.519%

INTEREST RATES UPDATE

Philippine Government Securities

GS market was quiet anew in yesterday's trading with only a total of 3.4bio mapped deals. Market is still on the offer side as yields traded higher by 3 bps in the 9 years in reaction to weaker currency and lower regional stocks. The 9 years last traded at 6.845 which is 2 bps higher than previous close. Market is focusing at today's 5 year auction. With the bearish tone in the market, range for the 5 year auction could be between 6.50%-6.75% which is 15-20 bps higher than the current yield.



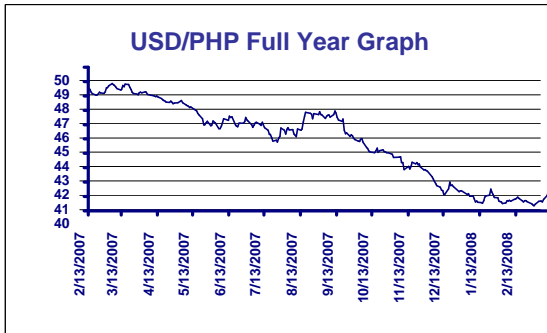
Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices remained rangebound tracking movements in other emerging market bonds. Meanwhile, US Treasury yields fell on speculation that Bear Stearns lacks sufficient access to capital. This dragged other financial stocks in the U.S. lower that increased demand for safety of the government debt. We expect ROP prices to be rangebound with a downward bias.

CURRENCIES UPDATE

USD/PHP

The dollar went up yesterday, breaching the 41.00 barrier with ease to close at 41.14 vs. 40.85 previously. The greenback appreciated across the board as risk aversion hit Asian stocks and currencies. However, suspected BSP dollar sales limited the greenback's advance. The strong close bodes well for the dollar, with 41.30 looming as target. Expected range: 41.10 - 41.40.



Major Currencies

Dollar continued to rebound against major currencies as risk aversion persist overnight on news that Bear Stearns are having liquidity problems. Bear Stearns protection costs continue to surge because of this. Also adding to the US dollar's strength against euro are statements of ECB president Trichet that excessive volatility and disorderly FX moves are undesirable. This is just a correction for most major currencies due to the US dollar's weakness over the past two weeks.

NY RANGE:

USDJPY 101.55-102.47
 EURUSD 1.5312-1.5377
 GBPUSD 2.0055-2.0189
 EURIPY 155.96-157.22

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TERM OF THE DAY

Resistance - The upper limit of a trading range of a particular currency lending by banks.

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