

Thursday, March 13, 2008

# DAILY MARKET EDGE

Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills		\$/Php	3/12/2008	3/11/2008	As of	3/13/08	10:16 AM
91D	3.673	3.672	0.960	03/12/08	3MO	4.919%	Open	41.100	41.250	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	03/12/08	6MO	4.919%	High	41.350	41.380	JPY	101.230	101.240
364D	5.266	5.271	2.830	03/12/08	1YR	5.589%	Low	40.980	41.150	IDR	9221	9231
							Close	41.350	41.200	SGD	1.382	1.383
							Ave.	41.168	41.279	TWD	30.685	30.700
							Vol.	634.600	692.500	THB	31.520	31.525
										HKD	7.787	7.788

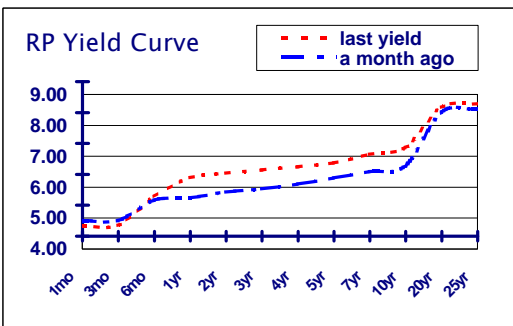
  

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	03/12/08	2YR	5.846%
5YR	5.750	5.750	7.000	03/12/08	5YR	6.302%
7YR	6.500	6.500	7.500	03/12/08	7YR	6.504%
10YR	5.875	7.750	7.500	03/12/08	10YR	6.689%
20YR	8.625	8.000	7.000	03/12/08	20YR	8.431%
25YR	8.500	9.375	7.000	03/12/08	25YR	8.529%

## INTEREST RATES UPDATE

### Philippine Government Securities

GS yields lower yesterday by 12-15 bps in the 5 and 9 year tenors in reaction to higher Asian Equities. Rumors of reducing SDA rates also helped the yields gap lower in the latter part of the trading day. Most active tenors were the 5 and 9 years. The 5 years traded lower by 15 bps from previous close at 6.5%. The 9 years closed at 6.875%, which is 12 bps lower than last trade. Market could trade slightly higher today as Global equities dropped due to risk aversion as a result of US recession fears.



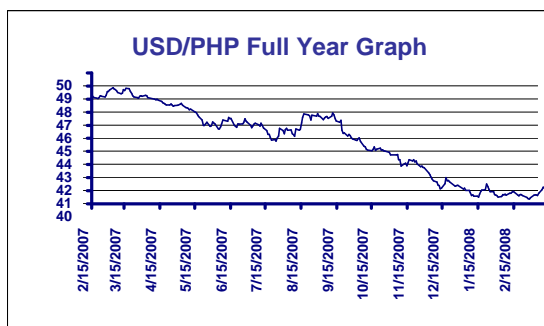
### Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices were just flat yesterday to slightly better bid as the market is waiting for the retail sales and inflation data coming out of the U.S. tonight and tomorrow. Meanwhile, U.S. treasuries were firmer as the market was skeptical that the Fed's bail-out plan unveiled the other night would be sustainable. We expect ROP prices to be range bound with an upward bias.

## CURRENCIES UPDATE

### USD/PHP

The dollar gained yesterday, closing at a two-month high of 41.35 vs. 41.20 previously. The greenback opened lower at 41.10 and actually reached a low of 40.98 on the back of strong Asian stocks and currencies. Market was bullish Asian assets after risk aversion waned in reaction to the U.S. Fed's \$200 billion liquidity package. However, failure to convincingly breach the 41.00 handle saw the market getting caught short dollars. The subsequent short squeeze lifted the exchange rate at the close. The strong close suggests further gains for the greenback, with 41.40 looming as target. Expected range: 41.20 - 41.50.



### Major Currencies

Major currencies rebounded against the US dollar as market players shrugged of the US dollars' rebound yesterday sustainable. Most glaring among currencies is the euro. It hit multi year high of 1.5572. Since 1.5500, which is a key resistance level for the EUR, market is leaning towards the next key psychological level of 1.6000. USD dollar will most likely continue to depreciate against most currencies as Fed is expected to cut its interest rates by 50 basis point on March 18.

### NY Range:

USDJPY 101.10-102.83  
 EURUSD 1.5440-1.5575  
 GBPUSD 2.0144-2.0280  
 EURJPY 157.45-159.03

## TREASURY DIRECTORY

Raffy Algarra	888-7030
SVP - Treasurer	
Raul Pedro	888-7042
FVP	
Asset & Liability Management (ALM)	
Sheila Gomez	888-7026
Kris Vainio	888-7028
Fixed Income Trading (\$)	
Andre' Ibarra	888-7033
Bong Cabral	888-7025
Fixed Income Trading (Php)	
Alan Atienza	888-7031
Dino Aquino	888-7044
Derivatives Desk	
Aileen Chua	888-7042
Nicole Chai	888-7027
Foreign Exchange (FX)	
Jon Velasquez	888-7021
Jun Aguilar	888-7025
Jennie Cao Melon	888-7024
Fixed Income Securities Division (FISD)	
Corporate Sales	
Cheche Serrano	888-7007
Amanda Roa	888-7006
Desiree Ang	888-7009
Inventory Management	
Nikki Chua	888-7020
Institutional Sales	
Anna Yap	888-7001
Marc Carlos	888-7029
Mike Garcia	888-7170
Francis Buenaventura	888-7002
Product Development & Retail Sales	
Johanna Songco Hernandez	888-7003
Dominic Banal	888-7043
FX / Money Market Sales	
Roman Leus	888-7012
VP	
Jocelyn Uy	888-7013
Sheilagh Rivera	888-7015
Jill Rances	888-7016
MM Marfori	888-7014
Glenn Jao	888-7017
Jason Yap	888-7018

### TERM OF THE DAY

**Philippine USD sovereign bonds** - These are unconditionally guaranteed, long-term obligations of the Republic of the Philippines issued outside the country to finance its public expenditures. These are denominated in US Dollars or in another foreign currency. There are 2 kinds of USD bond issues namely ROPs and BSPs.

\* Information provided in this report accurately reflect the personal views of the specialists. No responsibility is accepted for errors or omissions, or for any consequences arising there from.