

Tuesday, April 01, 2008

# DAILY MARKET EDGE

Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	3/31/2008	3/28/2008	As of	4/1/08 10:43 AM	
91D	3.673	3.672	0.960	03/31/08	3MO	Open	41.760	41.825	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	03/31/08	6MO	High	41.760	41.825	JPY	99.980	99.990
364D	5.705	5.266	5.292	03/31/08	1YR	Low	41.760	41.825	IDR	9197	9202
						Close	41.760	41.825	SGD	1.378	1.379
						Ave.	41.691	41.868	TWD	30.274	30.283
						Vol.	155.000	618.170	THB	31.430	31.450
									HKD	7.786	7.786

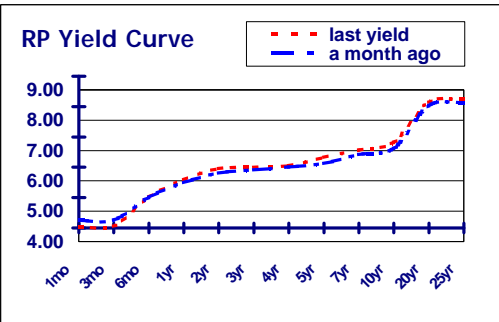
  

FXTN	Cpn	Prev.	Vol.	Date	FXTN
2YR	8.500	8.500	5.000	03/31/08	2YR
5YR	6.625	5.750	7.000	03/31/08	5YR
7YR	6.500	6.500	7.500	03/31/08	7YR
10YR	7.750	5.875	7.500	03/31/08	10YR
20YR	8.625	8.000	7.000	03/31/08	20YR
25YR	8.500	9.375	7.000	03/31/08	25YR

## INTEREST RATES UPDATE

### Philippine Government Securities

GS yields saw a two way interest yesterday as the shorter end traded 3 bps lower and the longer tenors traded 2-5 bps higher. News on the planned debt swap by the Government allowed players to give a premium on the shorter dated tenors in plans of swapping them in the future. The 2 years traded 4 bps lower at 6.135%. The 4 years traded 2.5 bps lower closing at 6.3%. The 5 years closed at 6.4% which is 5 bps higher than the previous trading level. Lastly the 10 years traded at 7.125%, which is 2 bps higher. 1 year TBILL auction was released yesterday with an 1.9 bio awarded versus 6 bio offering. Average yield on the 1 year auction was at 5.705% from 5.266% where the BTR last accepted the 1 year auction. Market remains cautious ahead of the inflation figure to be released this Friday.



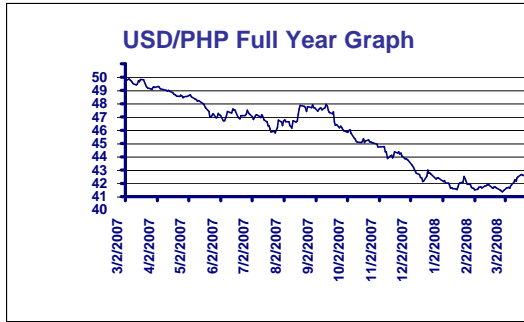
### Philippine Sovereign USD Bonds

ROP prices were slightly lower yesterday due to weak equity markets in Asia and in Europe. The ROP25, ROP30, ROP31 and ROP32 were all given at 140.00 (6.65%), 130.875 (6.77%), 111.75 (6.73%) and 97.00 (6.63%) respectively. Meanwhile, U.S. Treasury yields were just flat as the market is waiting for the important payroll figure that will come out of the U.S. this coming Friday. We expect ROP prices to be range bound with an upward bias as U.S. equity markets ended higher last night.

## CURRENCIES UPDATE

### USD/PHP

The dollar declined yesterday, closing at 41.76 vs. 41.825 previously. The greenback retreated against the peso after rallying for most of the week last week. BSP dollar sales around the 41.90 – 41.93 area effectively reversed the rally last Friday, paving the way for profit-taking sales yesterday. The weak close suggests further losses, with 41.65 looming as initial target. Expected range: 41.60 – 41.75.



### Major Currencies

Major currencies flat to slightly weaker against the US dollar overnight in New York. Trading was almost flat due to lack of major data last night and most traders on the sidelines waiting for crucial data on Friday which is the Non Farm Payroll wherein most traders are expecting a -50k jobless data. Market is also waiting for the release of 1st quarter earnings of most financial institutions.

NY Range:

USDJPY 99.23-99.95

EURUSD 1.5761-1.5897



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<b>Fixed Income Trading (Php)</b>	
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Jason Yap	888-7018

## TERM OF THE DAY

**Unemployment Rate** - is the proportion (in percent) of the total number of unemployed to the total number of persons in the labor force.

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