

Friday, April 04, 2008

DAILY MARKET EDGE

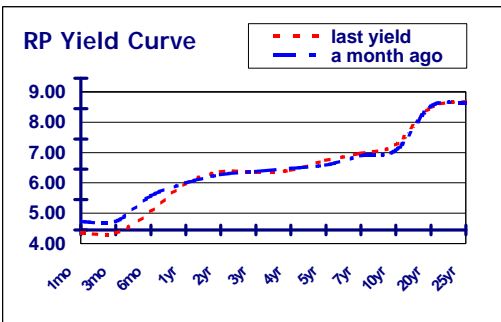
Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/3/2008	4/2/2008	As of	4/4/08 11:40 AM	
91D	3.673	3.672	0.960	04/03/08	3MO	Open	41.500	41.500	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	04/03/08	6MO	High	41.660	41.550	JPY	102.570	102.580
364D	5.705	5.266	5.292	04/03/08	1YR	Low	41.480	41.500	IDR	9215	9225
						Close	41.640	41.520	SGD	1.384	1.384
						Ave.	41.689	41.528	TWD	30.406	30.430
						Vol.	194.000	545.500	THB	31.650	31.700
									HKD	7.790	7.791

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/03/08	2YR	6.273%
5YR	6.625	5.750	7.000	04/03/08	5YR	6.581%
7YR	6.500	6.500	7.500	04/03/08	7YR	6.890%
10YR	7.750	5.875	7.500	04/03/08	10YR	7.065%
20YR	8.625	8.000	7.000	04/03/08	20YR	8.527%
25YR	8.500	9.375	7.000	04/03/08	25YR	8.633%

INTEREST RATES UPDATE

Philippine Government Securities

GS market was quiet again as expected but yields slightly higher by 2-3 bps as players lightened up their positions for the inflation data. Yields opened slightly lower by 2-3 bps on some bargain hunting but eventually retraced 5 bps higher before closing. The 3 years closed 3 bps higher at 6.275%. The 4 and 5 years closed 2 bps higher at 6.31% and 6.41% respectively. Lastly the 9 years was 2 bps higher as well at 6.92%. With the inflation rate higher than expected at 6.4%, market is expected to be bearish in the coming days.



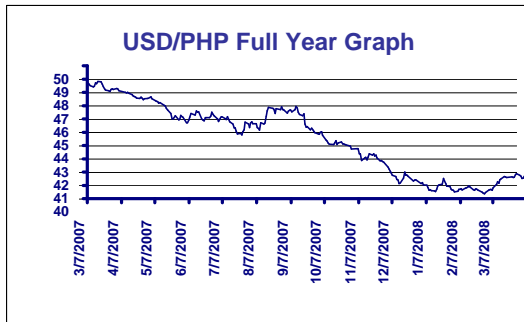
Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices and U.S. Treasury yields were just flat yesterday as the market is waiting for the change in non farm payroll number that will come out of the U.S. tonight. We expect ROP prices to be range bound with a downward bias as the market is expecting a weak change in non farm payroll figure tonight.

CURRENCIES UPDATE

USD/PHP

The dollar went up yesterday, closing at 41.64 vs. 41.52 previously. The greenback rebounded against the peso after the failure to breach the 41.48 level. With the dollar rebounding against some of the other Asian currencies, short-covering lifted the dollar towards the close. The strong close suggests further gains, with 41.70 looming as target. Strong resistance however lies at the 41.75-80 area. Expected range: 41.50 - 41.75.



Major Currencies

US dollar against most major currencies range bound with bias on a softer US dollar as market still waiting for tonight's Non Farm Payrolls data. A few currencies weakening though against the US dollar especially the European currency as well as the Australian dollar. Recent data from said countries showed both weak retail sales numbers. Australia's RBA governor Glenn Stevens said growth in demand was moderating despite high inflation sending signals to the market that interest rates would not tighten in the coming months. Market is expected to be sideways today in anticipation for tonight's Non Farm Payroll data.

NY Range:
 USDJPY 102.07-102.95
 EURUSD 1.5544-1.5686
 GBPUSD 1.9827-1.9977
 EURIBOR 150 20 1.60 57



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MM Marfori	888-7014
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TERM OF THE DAY

London Inter-Bank Offered Rate (LIBOR) - is the rate at which banks in London offer Eurodollars in the placement market. The Libor rate used in pricing a loan is usually the average of the 11:00AM offering rates of top 3-5 reference banks in the market.

* 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.