

Friday, April 25, 2008

DAILY MARKET EDGE

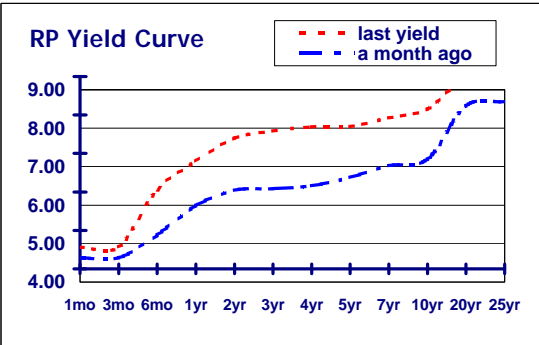
Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/24/2008	4/23/2008	As of	4/25/08	10:58 AM	
91D	3.673	3.672	0.960	04/24/08	3MO	Open	41.940	41.940	\$/CURR	BID	OFFER	
182D	4.675	4.659	2.000	04/24/08	6MO	High	41.975	41.980	JPY	104.200	104.220	
364D	5.993	5.705	4.197	04/24/08	1YR	Low	41.920	41.875	IDR	9223	9225	
						Close	41.975	41.930	SGD	1.358	1.358	
						Ave.	41.954	41.953	TWD	30.330	30.333	
						Vol.	324.500	506.060	THB	31.600	31.630	
									HKD	7.791	7.791	

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/24/08	2YR	6.389%
5YR	6.625	5.750	7.000	04/24/08	5YR	6.718%
7YR	6.500	6.500	7.500	04/24/08	7YR	7.027%
10YR	7.750	5.875	7.500	04/24/08	10YR	7.198%
20YR	8.625	8.000	7.000	04/24/08	20YR	8.587%
25YR	8.500	9.375	7.000	04/24/08	25YR	8.689%

INTEREST RATES UPDATE

Philippine Government Securities

GS Market traded slightly lower by 2-5 bps on reports that the Philippine budget deficit is lower than expected at 50 bio from an earlier expectation of 60 bio budget deficit. The 4 years traded 5 bps lower at 7.715% and the 9 years traded at 8.225% which is 2 bps lower than previous close. With the MB rate unchanged market is expected to be range bound with a slight downward bias on bargain hunting.



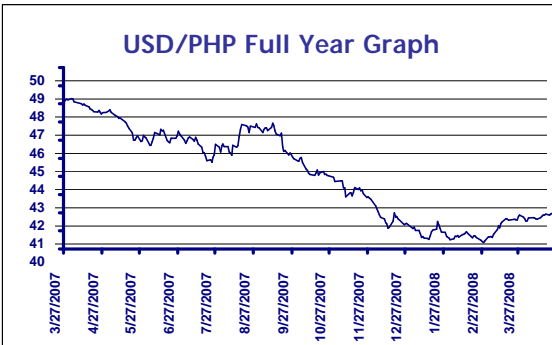
Philippine Sovereign USD Bonds

ROP prices were lower by quarter of a point on persistent selloff in Indonesian global bonds. Prices were given in ROP 30 at 131.375 (6.73%) and ROP 32 at 97.625 (6.57%). Meanwhile, US Treasury yields remained flat as higher 1Q net loss of mortgage bond insurer Ambac was offset by better than expected earnings by technology stocks. We expect ROP prices to be rangebound with a slight upward bias due to rebound in US equities and resilience in emerging market assets.

CURRENCIES UPDATE

USD/PHP

The dollar went up yesterday, closing at 41.975 vs. 41.93 previously. Offshore traders continued to buy up the greenback as inflation worries and economic growth concerns continue to hound the local markets. A dollar rebound against Asian currencies (on the back of higher interest rate expectations in the U.S.) also helped pressure the peso. Fears of BSP dollar offers kept the greenback below the 42.00 level. The strong close suggests further gains, with 42.00 looming as immediate target. Expected range: 41.90 - 42.10.



Major Currencies

US dollar continued to strengthen overnight against major currencies as US data overnight came out stronger than expected and views of most market players that the Federal Reserve would probably on the end tail of its easing cycle earlier than expected. Also adding to US dollar's strength is yesterday's German IFO data which showed a 102.40 drop against market expectation of 104.30. Currencies would probably range until next week before the Federal Reserve meeting on April 30, 2008.

NY Range:

USDJPY 102.90-103.79
 EURUSD 1.5860-1.5949
 GBPUSD 1.9773-1.9843
 EURJPY 163.81-164.74



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TERM OF THE DAY

Federal Funds Rate - The rate at which banks with excess reserves (against the Federal Reserve's reserve requirement) charge for overnight loans to banks with inadequate reserves. This is the principal policy instrument of the Federal Reserve System, the central banking institution of the United States that has the responsibility for the conduct of the nation's monetary policy.

* 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.