

Tuesday, April 29, 2008

# DAILY MARKET EDGE

Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/28/2008	4/25/2008	As of	4/29/08	11:05 AM
91D	3.673	3.672	0.960	04/28/08	3MO	Open	42.100	41.980	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	04/28/08	6MO	High	42.180	42.100	JPY	104.260	104.270
364D	5.993	5.705	3.150	04/28/08	1YR	Low	42.060	41.980	IDR	9228	9235
						Close	42.180	42.040	SGD	1.360	1.361
						Ave.	42.121	42.058	TWD	30.421	30.426
						Vol.	569.860	937.700	THB	31.630	31.680
									HKD	7.791	7.792

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/28/08	2YR	6.400%
5YR	6.625	5.750	7.000	04/28/08	5YR	6.721%
7YR	6.500	6.500	7.500	04/28/08	7YR	6.995%
10YR	7.750	5.875	7.500	04/28/08	10YR	7.250%
20YR	8.625	8.000	7.000	04/28/08	20YR	8.581%
25YR	8.500	9.375	7.000	04/28/08	25YR	8.685%

## INTEREST RATES UPDATE

### Philippine Government Securities

GS market remained flat with most activities concentrated on the 1 year tenor. The 1 year traded between 6.70%-6.65% mostly on client requirements. The 1 year auction was fully rejected as BTR did not have a choice but to reject the bids as yields would have gone up to 6.997% which is 100 bps higher than previous auction. Rates are expected to hover at these levels ahead of the inflation data next week.

## CURRENCIES UPDATE

### USD/PHP

The dollar went up yesterday, closing at 42.18 vs. 42.04 previously. Philippine financial markets continued to underperform as traders remained focus on inflationary concerns. The strong close suggests further gains, with the 42.30 target in sight ahead of strong resistance at the 42.50-60 area. On the other hand, 42.10 remains initial support level. Expected range today: 42.10 – 42.30.



## 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 888-7032  
Nikki Chua 888-7020

**Fixed Income Trading (Php)**  
Alan Atienza 888-7031  
Dino Aquino 888-7044

**Derivatives Desk**  
Aileen Chua 888-7027  
Nicole Chai 888-7042  
Ella Villame 888-7649

**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**  
Adie Go 888-7728

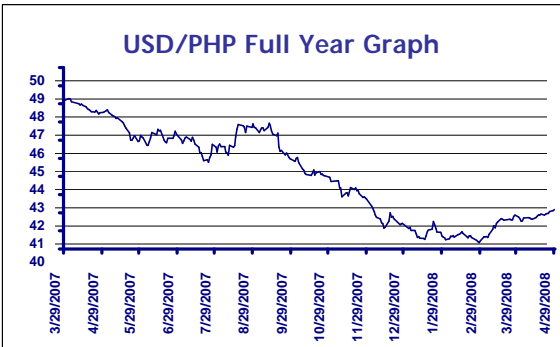
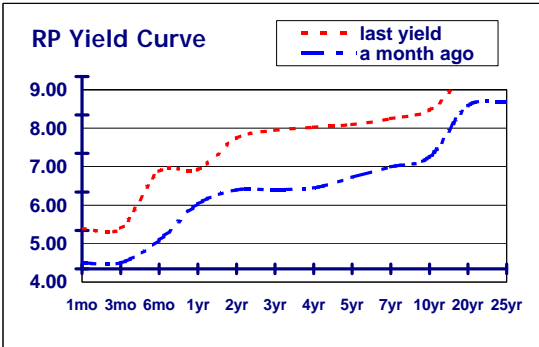
**Institutional Sales**  
Anna Yap 888-7001  
Marc Carlos 888-7029  
Mike Garcia 888-7170  
Maia Martinez 888-7002

**Product Development & Retail Sales**  
Johanna Songco Hernandez 888-7003  
Dominic Banal 888-7005  
Tracy Felipe 888-7004

### FX / Money Market Sales

**Roman Leus** 888-7012  
VP

Jocelyn Uy 888-7013  
Sheilagh Rivera 888-7015  
Jill Rances 888-7016  
Francis Buenaventura 888-7014  
Glenn Jao 888-7017  
Jason Yap 888-7018



### Philippine Sovereign USD Bonds

ROP prices were higher by quarter of a point as market saw some support at these levels which are at 2 week lows. ROP 31 was taken at 112.875 (6.64%). US Treasury yields were lower towards the US 1Q GDP and FOMC meeting tomorrow. We expect ROP prices to be rangebound with an upward bias.

### Major Currencies

Currency markets flat overnight as market waiting on FOMC's April 30th meeting on clues where the direction of currencies is heading. Market is expecting the Fed to cut it's overnight rates by 25 BP but crucial are statements accompanying its decision. Market is pricing in a pause in the Fed's aggressive cutting of its interest rates thus giving some support for the US dollar.

NY Range:

EURUSD 1.5596-1.5664  
USDJPY 104.06-104.64  
GBPUSD 1.9878-1.9965  
EURJPY 162.85-163.52

### TERM OF THE DAY

**Federal Open Market Committee (FOMC)** - The principal policy-making body of the Federal Reserve. It consists of 7 Governors of the Federal Reserve System and the 12 Federal Reserve District bank Presidents, although only 5 of the 12 are voting members. Every month the FOMC meets to decide whether to pump more reserves into the Market by buying government securities or to tighten Monetary policy by selling government securities.

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