

Wednesday, April 30, 2008

DAILY MARKET EDGE

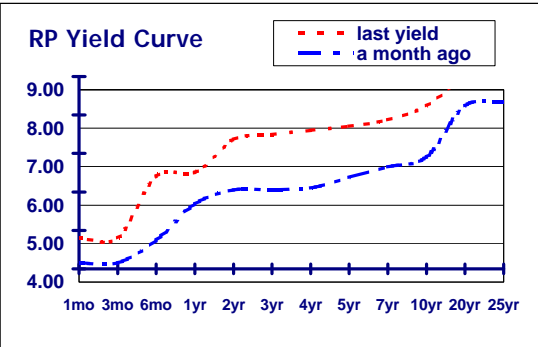
Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/29/2008	4/28/2008	As of	4/30/08	11:38 AM
91D	3.673	3.672	0.960	04/29/08	3MO	Open	42.190	42.100	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	04/29/08	6MO	High	42.240	42.180	JPY	104.072	104.080
364D	5.993	5.705	3.150	04/29/08	1YR	Low	42.150	42.060	IDR	9232	9237
						Close	42.170	42.180	SGD	1.362	1.362
						Ave.	42.192	42.121	TWD	30.441	30.446
						Vol.	504.000	569.860	THB	31.740	31.780
									HKD	7.794	7.794

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/29/08	2YR	6.400%
5YR	6.625	5.750	7.000	04/29/08	5YR	6.721%
7YR	6.500	6.500	7.500	04/29/08	7YR	6.995%
10YR	7.750	5.875	7.500	04/29/08	10YR	7.250%
20YR	8.625	8.000	7.000	04/29/08	20YR	8.581%
25YR	8.500	9.375	7.000	04/29/08	25YR	8.685%

INTEREST RATES UPDATE

Philippine Government Securities

GS yields lower yesterday by 2-7 bps on the 2 and 7 years as peso investments looked very attractive to bargain hunters. The 2 years traded 7 bps lower at 7.40% and the 7 years was 2 bps lower at 8.075%. Market could see some follow through buying tracking the movement of the peso IRS and Swaps market.



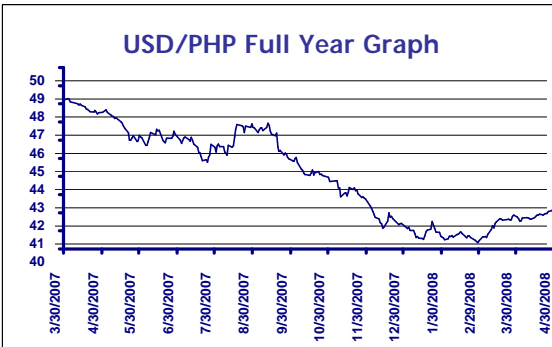
Philippine Sovereign USD Bonds

ROP prices were higher by quarter of a point on follow through buying tracking firm emerging market bonds overnight. Prices were taken in ROP 25 at 140.875 (6.58%), ROP 30 at 132.00 (6.68%), ROP 31 at 113.125 (6.62%) and ROP 32 at 97.875 (6.55%). US Treasury yields were rangebound towards the US 1Q GDP and FOMC meeting tonight. Consumer confidence was still at five year low at 62.3 and housing prices continue to fall by 12.7% based on S&P Case Shiller home price index. We expect ROP prices to be rangebound with a slight upward bias.

CURRENCIES UPDATE

USD/PHP

The dollar ended a tad lower against the peso at 42.17 vs. 42.18 previously. The greenback range-traded between 42.15 - 42.24, with corporate dollar demand meeting BSP dollar offers. Offshore players were for the most part offering dollars, thus the close off highs. With the FOMC meeting happening tonight, expect the dollar to move sideways today. Expected range: 42.10 - 42.30.



Major Currencies

Currencies flat overnight as market waiting for tonight's FOMC meeting. Traders looking for clues on where the currencies are heading on tonight's said meeting. Market is expecting Fed to cut by 25 BP but crucial will be statements to be announced by Fed on whether they will pause or still continue on aggressively cut their interest rates. A pause on Fed's cutting of interest rates will provide some room for the US dollar to strengthen against major currencies while a statement of a further rate cut will once again a weakness for the US dollar.

NY Range:

USDJPY 103.32-104.10
 EURUSD 1.5546-1.5619
 GBPUSD 1.9666-1.9770
 EURJPY 161.10-162.00



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TERM OF THE DAY

Federal Reserve System - The central banking institution of the United States that has the responsibility for the conduct of the nation's monetary policy. It consists of the Board of Governors in Washington and twelve regional District Banks.

* 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.