

Monday, May 26, 2008

# DAILY MARKET EDGE

Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	5/23/2008	5/22/2008	As of	5/26/08	10:24 AM	
91D	3.673	3.672	0.960	05/23/08	3MO	Open	43.400	43.300	\$/C/URR	BID	OFFER	
182D	4.675	4.659	2.000	05/23/08	6MO	High	43.475	43.480	JPY	103.282	103.300	
364D	6.915	5.993	6.462	05/23/08	1YR	Low	43.355	43.300	IDR	9335	9345	
						Close	43.440	43.450	SGD	1.360	1.361	
						Ave.	43.436	43.427	TWD	30.491	30.507	
						Vol.	495.500	605.000	THB	32.150	32.170	
									HKD	7.802	7.802	

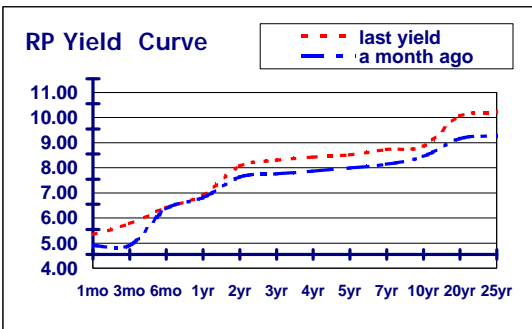
  

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	05/23/08	2YR	8.073%
5YR	8.750	6.625	7.000	05/23/08	5YR	8.519%
7YR	8.375	6.500	7.000	05/23/08	7YR	8.735%
10YR	7.750	5.875	7.500	05/23/08	10YR	8.852%
20YR	8.625	8.000	7.000	05/23/08	20YR	10.067%
25YR	8.500	9.375	7.000	05/23/08	25YR	10.212%

## INTEREST RATES UPDATE

### Philippine Government Securities

GS market was very quiet last Friday as players opted to stay in the sidelines. With the lack of appetite yields were higher by 2-3 bps across the curve. The 2 years traded 3 bps at 7.40%. The 5 years traded 8.05% which is 2.5 bps higher than previous close. Market is expected to remain sideways with lack of fresh news.



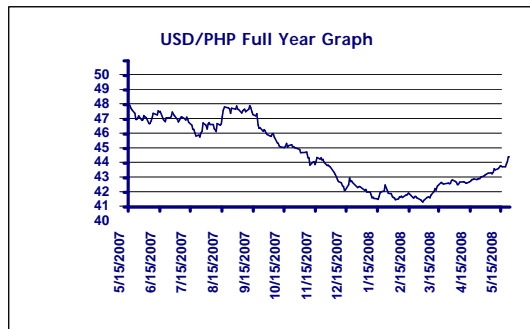
### Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices traded flat last Friday tracking other emerging market bonds. US Treasury yields fell due to flight to safety after the decline in US equities amidst record oil prices. We expect ROP prices to be rangebound with a downward bias due to decline in global equities. Market expected to be generally quiet today due to London and New York holidays.

## CURRENCIES UPDATE

### USD/PHP

The dollar inched down to close at 43.44 Friday, vs. 43.45 the previous day. The greenback was pretty much range-bound between 43.35 and 43.48, with corporate dollar demand meeting BSP dollar offers. High oil prices continue to dominate trading, pressuring the peso to weaken at the close. The strong dollar close suggests further gains, with 43.50 looming as initial target. Expected range today: 43.40 - 43.60.



### Major Currencies

Range trading for the US dollar last Friday on lack of major data and market quiet ahead of today's New York holiday. Commodities stayed flat as well specially gold and crude prices as market will still wait for clues on where the US economy is heading. Market is expected to stay flat Monday due to New York holiday.

NY Range:

USDJPY 103.05-103.54  
 EURUSD 1.5743-1.5795  
 GBPUSD 1.9785-1.9852  
 EURJPY 162.72-163.12



## TREASURY DIRECTORY

<b>Raffy Algarra</b>	<b>888-7030</b>
SVP - Treasurer	
<b>Raul Pedro</b>	<b>888-7042</b>
FVP	
<b>Asset &amp; Liability Management (ALM)</b>	
Sheila Gomez	888-7026
Kris Vainio	888-7028
<b>Fixed Income Trading (\$)</b>	
Andre' Ibarra	888-7033
Bong Cabral	888-7032
Nikki Chua	888-7020
<b>Fixed Income Trading (Php)</b>	
Alan Atienza	888-7031
Dino Aquino	888-7044
<b>Derivatives Desk</b>	
Aileen Chua	888-7027
Nicole Chai	888-7042
Ella Villame	888-7649
<b>Foreign Exchange (FX)</b>	
Jon Velasquez	888-7021
Jun Aguilar	888-7025
Jennie Cao Melon	888-7024
<b>Fixed Income Securities Division (FISD)</b>	
<b>Corporate Sales</b>	
Cheche Serrano	888-7007
Amanda Roa	888-7006
Desiree Ang	888-7009
<b>Inventory Management</b>	
Adie Go	888-7728
<b>Institutional Sales</b>	
Anna Yap	888-7001
Marc Carlos	888-7029
Mike Garcia	888-7170
Maia Martirez	888-7002
<b>Product Development &amp; Retail Sales</b>	
Johanna Songco Hernandez	888-7003
Dominic Banal	888-7005
Tracy Felipe	888-7004
<b>FX / Money Market Sales</b>	
<b>Roman Leus</b>	<b>888-7012</b>
VP	
Jocelyn Uy	888-7013
Sheilagh Rivera	888-7015
Jill Rances	888-7016
Francis Buenaventura	888-7014

## TERM OF THE DAY

**Revaluation** - An increase in the official foreign exchange rate of a currency. The terms "devaluation" and "revaluation" must be distinguished from the terms "depreciation" and "appreciation". The former terms refer to situations where a country has officially pegged its exchange rate to another currency or to gold and in which the pegged rate or parity is changed by adjusting the price of the other currency or gold.

\* 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.