

Monday, June 16, 2008

DAILY MARKET EDGE

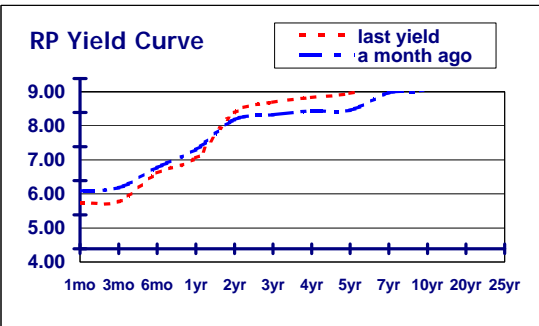
Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	6/13/2008	6/12/2008	As of	6/16/08	11:16 AM
91D	3.673	3.672	0.960	06/13/08	3MO	Open	44.410	44.450	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	06/13/08	6MO	High	44.410	44.510	JPY	108.250	108.270
364D	6.79	6.846	14.479	06/13/08	1YR	Low	44.410	44.420	IDR	9328	9330
						Close	44.410	44.475	SGD	1.376	1.377
						Ave.	44.362	44.469	TWD	30.412	30.419
						Vol.	548.500	604.200	THB	33.250	33.280
									HKD	7.814	7.814

FXTN	Cpn	Prev.	Vol.	Date	FXTN
2YR	8.500	8.500	5.000	06/13/08	2YR
5YR	8.750	8.750	7.000	06/13/08	5YR
7YR	8.375	6.500	7.000	06/13/08	7YR
10YR	7.750	5.875	7.500	06/13/08	10YR
20YR	8.625	8.000	7.000	06/13/08	20YR
25YR	8.500	9.375	7.000	06/13/08	25YR

INTEREST RATES UPDATE

Philippine Government Securities

GS Market was flat last Friday as most traded were on the retail side. Levels were basically unchanged with only the 5 years trading 2 bps higher at 8.65%. Total mapped trades amounted to 1.5 Bn only. Lack of fresh news could keep rates trapped at current levels with only the short end having premium due to SDA maturities.



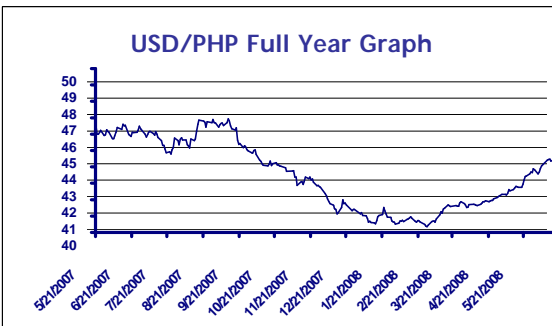
Philippine Sovereign USD Bonds

ROP prices were lower last Friday due to weaker U.S. Treasuries. The ROP30, ROP31 and ROP32 were all given at 128.625 (6.92%), 109.625 (6.90%) and 95.375 (6.77%) respectively. Meanwhile, U.S. Treasuries were lower last Friday night in NY time after inflation for May came in higher than expected. We expect ROP prices to be range bound with a downward bias as Indonesia is expected to announce the details of its sovereign dollar bond issuance this week.

CURRENCIES UPDATE

USD/PHP

The dollar declined last Friday, closing at 44.41 vs. 44.475 previously. The dollar opened at 44.42 but reached a low of 44.31, succumbing to profit-taking ahead of the weekend. This is in line with the regional trend, with the greenback taking a breather after rallying for most of last week on the back of higher U.S. interest rate expectations. Oil prices staying around \$135 per barrel also added to the dollar's biddish tone against the peso. The dollar could be in range-bound mood today, as BSP dollar sales should limit the upside to 44.50-55. On the other hand, fresh long dollar positions may just be waiting below the 44.40 level. Expected range: 44.35 - 44.55.



Major Currencies

US dollar had a mixed session overnight after US CPI figures came out stronger than market expectations. Most major currencies rebounded against the US dollar after the said figure mostly on short covering. Not much effect on currencies after G8 meeting although it was discussed concerns still on US dollar's weakness and continued rising of crude oil prices.

NY Range:

USDJPY 107.87-108.38
 EURUSD 1.5307-1.5436
 GBPUSD 1.9409-1.9514
 EURJPY 165.65-166.60



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TERM OF THE DAY

Pip - last significant decimal place of a particular exchange rate
 Example: USD/PHP = 41.12

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