

Wednesday, June 18, 2008

DAILY MARKET EDGE

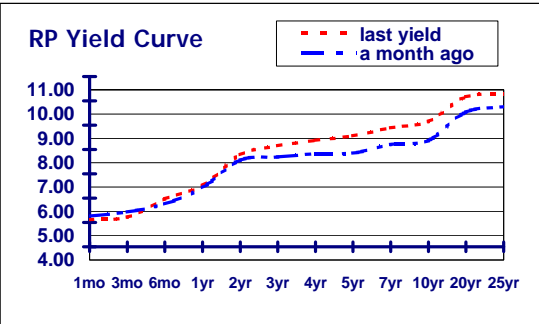
Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	6/17/2008	6/16/2008	As of	6/18/08	11:16 AM	
91D	3.673	3.672	0.960	06/17/08	3MO	Open	44.450	44.400	\$/CURR	BID	OFFER	
182D	4.675	4.659	2.000	06/17/08	6MO	High	44.450	44.485	JPY	107.950	107.960	
364D	6.79	6.846	14.479	06/17/08	1YR	Low	44.200	44.380	IDR	9285	9286	
						Close	44.240	44.485	SGD	1.366	1.367	
						Ave.	44.326	44.440	TWD	30.288	30.290	
						Vol.	565.440	594.500	THB	33.090	33.110	
									HKD	7.808	7.808	

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	06/17/08	2YR	8.112%
5YR	8.750	8.750	7.000	06/17/08	5YR	8.398%
7YR	8.375	6.500	7.000	06/17/08	7YR	8.752%
10YR	7.750	5.875	7.500	06/17/08	10YR	8.912%
20YR	8.625	8.000	7.000	06/17/08	20YR	10.075%
25YR	8.500	9.375	7.000	06/17/08	25YR	10.300%

INTEREST RATES UPDATE

Philippine Government Securities

GS yields saw a 2 way interest yesterday as the short end traded 5 bps lower on retail demand while the long end was 2-10 bps higher. The 2 and 3 years traded 5 bps lower at 7.40% and 8.15% respectively. The 5 years was 5 bps higher at 8.735% while the 8 years was 10 bps higher at 8.94%. Market remains cautious but with the coming GS maturities, the short could see more premium.



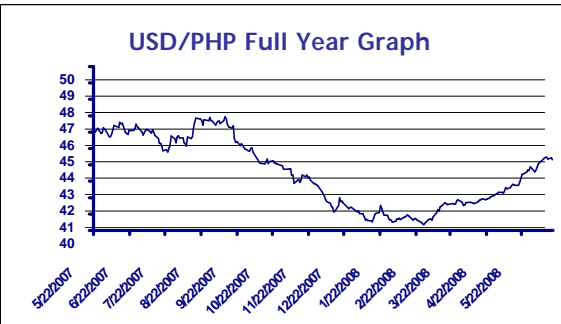
Philippine Sovereign USD Bonds

ROP prices fell by quarter point after the Indonesia launched the sale of the \$2.2 bio sovereign debt that had a satisfactory reception in the market. Prices were given in ROP 30 at 128.25 (6.95%), ROP 31 at 109.25 (6.93%) and ROP 32 at 95.375 (6.77%). Meanwhile, US Treasury yields were flat to slightly lower after the US reported core producer price index within expectations at 0.2. We expect ROP prices to be rangebound with some bottom-fishing expected at year-low levels.

CURRENCIES UPDATE

USD/PHP

The dollar went down yesterday, closing at 44.24 vs. 44.485 previously. The greenback declined against Asian currencies after expectations of higher U.S. interest rates eased down a bit. Offshore players unloaded dollars heavily yesterday, causing the greenback to breach the 44.30 support level. The weak close suggests further losses, with 44.00 looming as target. Expected range: 44.00 - 44.20.



Major Currencies

US dollar flat against most major currencies overnight as US PPI core index just within market is expecting. US PPI came out 0.2% and 3.0% on month and year respectively, flat against previous month. Range of trading for currencies is expected to remain tight as market waiting for further clues on where the US dollar is heading.

NY Range:

USDJPY 107.90-108.40
 EURUSD 1.5475-1.5528
 GBPUSD 1.9482-1.9580
 EURJPY 167.40-167.77



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TERM OF THE DAY

Non-Crown Currency - currencies expressed as variable units against 1 unit of USD. All third currencies except the crown currencies.

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