

Monday, June 23, 2008

DAILY MARKET EDGE

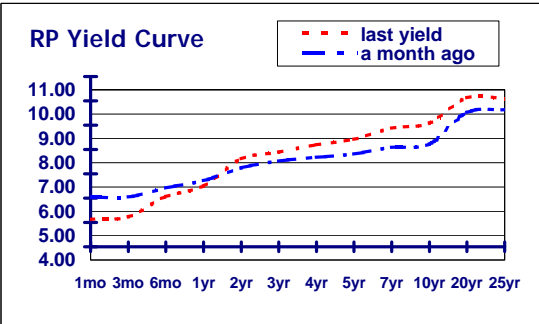
| Latest Auction Results | | | | RP Benchmark | | PDS Summary | | | Asian Currencies | | |
|------------------------|-------|-------|--------|--------------|--------|-------------|-----------|-----------|------------------|------------------|---------|
| TBills | Ave. | Prev. | Vol. | Date | TBills | \$/Php | 6/20/2008 | 6/19/2008 | As of | 6/23/08 11:01 AM | |
| 91D | 3.673 | 3.672 | 0.960 | 06/20/08 | 3MO | Open | 44.440 | 44.320 | \$/CURR | BID | OFFER |
| 182D | 4.675 | 4.659 | 2.000 | 06/20/08 | 6MO | High | 44.470 | 44.500 | JPY | 107.310 | 107.310 |
| 364D | 6.79 | 6.846 | 14.479 | 06/20/08 | 1YR | Low | 44.340 | 44.290 | IDR | 9265 | 9270 |
| | | | | | | Close | 44.350 | 44.490 | SGD | 1.365 | 1.366 |
| | | | | | | Ave. | 44.406 | 44.422 | TWD | 30.398 | 30.403 |
| | | | | | | Vol. | 531.500 | 658.000 | THB | 33.380 | 33.390 |
| | | | | | | | | | HKD | 7.805 | 7.805 |

| FXTN | Cpn | Prev. | Vol. | Date | FXTN | |
|------|-------|-------|-------|----------|------|---------|
| 2YR | 8.500 | 8.500 | 5.000 | 06/20/08 | 2YR | 7.788% |
| 5YR | 8.750 | 8.750 | 7.000 | 06/20/08 | 5YR | 8.361% |
| 7YR | 8.375 | 6.500 | 7.000 | 06/20/08 | 7YR | 8.637% |
| 10YR | 7.750 | 5.875 | 7.500 | 06/20/08 | 10YR | 8.762% |
| 20YR | 8.625 | 8.000 | 7.000 | 06/20/08 | 20YR | 10.064% |
| 25YR | 8.500 | 9.375 | 7.000 | 06/20/08 | 25YR | 10.190% |

INTEREST RATES UPDATE

Philippine Government Securities

GS yields ended flat last Friday as players opted to stay in the sidelines anew after the weeklong rally. Volume once again was concentrated on the short end as the 2 and 3 years traded at 6.95% and 8.015% respectively. Both tenors basically unchanged from previous levels. Rates are expected to hover at current levels until the RTB maturities on July 1.



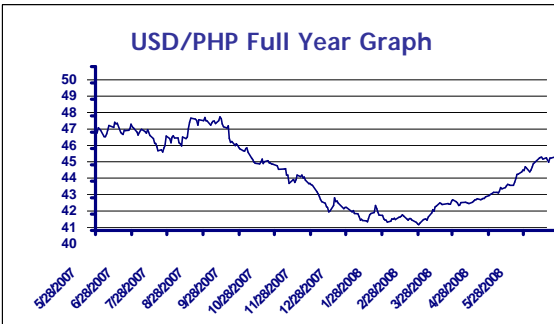
Philippine Sovereign USD Bonds

ROP prices traded flat last Friday as the rally in the morning was met by profit-taking when London opened as European equities fell on bank concerns. Meanwhile, US Treasury yields fell after US equities got hammered on more expected writedowns. We expect ROP prices to be rangebound with a slight downward bias.

CURRENCIES UPDATE

USD/PHP

The dollar declined last Friday closing at 44.35 vs. 44.49 previously. The greenback surrendered some of its recent gains after the BSP showed offers at the 44.45 – 44.50 area, effectively stopping the recent rally. A pull back in the dollar's rally with other Asian currencies also inspired local traders to sell the dollar against the peso. The weak close, while suggesting further losses, was negated by the poor performance of U.S. stocks Friday night. Asian stocks are thus expected to open weak today, putting Asian currencies, including the peso, on the defensive. Expected range: 44.35 – 44.55.



Major Currencies

Major currencies rallied against the US dollar last Friday on profit taking on long US dollar position and talks of the Federal Reserve will not hike rates this month also added to the US dollars' weakness. Talks of an ECB rate hike as early as next month also boosted the rally of the European currency against the US dollar. US dollar is expected to continue to weaken today, however, downside is limited as FED continue to talk up rate hike which will give some support for the US dollars.

NY Range:

USDJPY 107.11-107.69
 EURUSD 1.5592-1.5652
 GBPUSD 1.9731-1.9774
 EURJPY 167.28-168.02



TREASURY DIRECTORY

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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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