Friday, August 01, 2008

DAILY MARKET EDGE

Latest Auction Results				RP Benchmark		
TBills	Ave.	Prev.	Vol.	Date	TBIlls	
91D	5.699	3.673	2.238	07/31/08	3MO	5.562%
182D	6.483	4.675	3.000	07/31/08	6MO	5.673%
364D	6.985	6.747	2.770	07/31/08	1YR	6.039%
FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	07/31/08	2YR	7.931%
5YR	8.750	8.750	7.000	07/31/08	5YR	8.925%
7YR	8.375	6.500	7.000	07/31/08	7YR	9.137%
10YR	7.750	5.875	7.500	07/31/08	10YR	9.429%
20YR	8.625	8.000	7.000	07/31/08	20YR	10.689%
25YR	8.500	9.375	7.000	07/31/08	25YR	10.742%

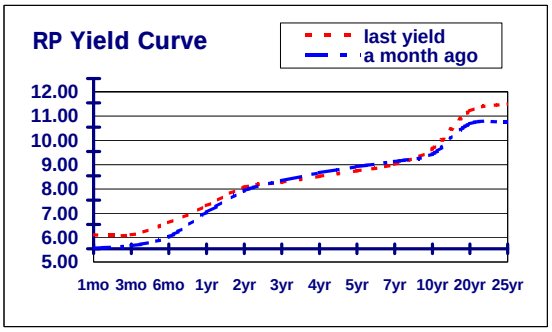
PDS Summary		
$/Php	7/31/2008	7/30/2008
Open	44.200	44.130
High	44.280	44.220
Low	44.130	44.070
Close	44.150	44.150
Ave.	44.210	44.140
Vol.	766.500	582.500

Asian Currencies		
As of	8/1/08 10:27 AM	
$/CURR	BID	OFFER
JPY	107.850	107.870
IDR	9073	9083
SGD	1.369	1.370
TWD	30.647	30.650
THB	33.500	33.560
HKD	7.802	7.803

INTEREST RATES UPDATE

Philippine Government Securities

GS yields ended higher by 5-10 bps yesterday on profit taking ahead of the CPI data this Tuesday. The 2 and 3 years traded 5 bps higher at 7.15% and 7.595% respectively. The 5 years was 10 bps higher at 8.25%. With the CPI data expected to be higher, yields could continue its upward trend.



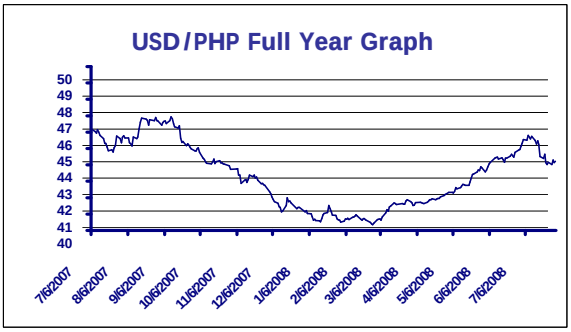
Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices were just flat awaiting the US GDP and employment data. Meanwhile, US Treasury yields fell after US reported weekly jobless claims at 448,000 and Q4 2007 GDP was revised significantly lower to -0.2 from 0.6. These figures rekindle speculation that the US entered recession late last year. We expect ROP prices to be rangebound with a slight downward bias due to slump in US equities.

CURRENCIES UPDATE

USD/PHP

The dollar closed unchanged yesterday at 44.15. The greenback initially went up to 44.28 as the market reacted to higher oil prices (above $126 per barrel). However, corporate dollar inflows saw the exchange rate fall at the close. Lat night, while oil prices went down to about $124 per barrel, credit concerns (as reflected by the 1.78% drop in the Dow Jones) may pressure Asian currencies including the peso today. 44.25 loom as initial target. Expected range: 44.10 – 44.30.



Major Currencies

The EUR and GBP were markedly stronger against the dollar after the worse than expected GDP was announced yesterday, but were pulled back by the better than expected PMI. For the day, the pair ended almost unchanged versus the dollar. JPY continued to track the equities market, ending 30 pips lower after US equities ended down for the day. Expect sideways trading for the early part of the day with the much anticipated non-farm payrolls data showing the direction afterwards.

NY RANGE:
EUR/USD 1.5574-1.5701
USD/JPY 107.57-108.39
GBP/USD 1.9783-1.9930
EUR/JPY 168.08-169.19

TERM OF THE DAY

Inflation – General rise in the price level. Inflation is a state of macroeconomic disequilibrium, usually associated with strong demand pressures.

* 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.

TREASURY DIRECTORY

Raffy Algarra 888-7030
SVP - Treasurer

Raul Pedro 888-7042
FVP

Asset & Liability Management (ALM)
Sheila Gomez 888-7026
Kris Vainio 888-7028

Fixed Income Trading ($)
Andre' Ibarra 888-7033
Bong Cabral 888-7032
Nikki Chua 888-7020

Fixed Income Trading (Php)
Alan Atienza 888-7031
Dino Aquino 888-7044

Derivatives Desk
Aileen Chua 888-7042
Nicole Chai 888-7027
Ella Villame 888-7649

Foreign Exchange (FX)
Jon Velasquez 888-7021
Dominic Banal 888-7025
Jennie Cao Melon 888-7024

Fixed Income Securities Division (FISD)

Cheli Tabuena 888-7046
FVP

Corporate Sales
Cheche Serrano 888-7007
Amanda Roa 888-7006
Desiree Ang 888-7009

Inventory Management
Adie Go 888-7728

Institutional Sales
Anna Yap 888-7001
Carlyn Therese Dulay 888-7029
Mike Garcia 888-7170

Product Development & Retail Sales
Johanna Songco Hernandez 888-7003
Tracy Felipe 888-7004

FX / Money Market Sales

Sheilagh Rivera 888-7015
AVP

Jocelyn Uy 888-7013
Jill Rances 888-7016
Francis Buenaventura 888-7014
Glenn Jao 888-7017
Jason Yap 888-7018