

Wednesday, August 20, 2008

# DAILY MARKET EDGE

Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	8/19/2008	8/15/2008	As of	8/20/08	10:46 AM	
91D	5.699	3.673	2.238	08/19/08	3MO	Open	45.350	45.080	\$/CURR	BID	OFFER	
182D	6.483	4.675	3.000	08/19/08	6MO	High	45.500	45.340	JPY	109.870	109.890	
364D	6.95	6.923	6.565	08/19/08	1YR	Low	45.350	45.080	IDR	9175	9180	
						Close	45.500	45.310	SGD	1.410	1.410	
						Ave.	45.450	45.264	TWD	31.385	31.404	
						Vol.	705.000	1122.180	THB	34.110	34.160	
									HKD	7.809	7.809	

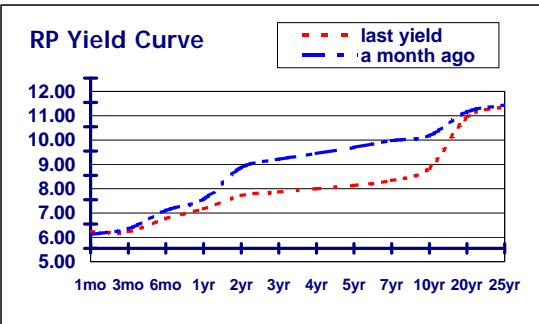
  

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	08/19/08	2YR	8.871%
5YR	8.750	8.750	7.000	08/19/08	5YR	9.692%
7YR	8.375	8.375	7.000	08/19/08	7YR	9.969%
10YR	7.750	5.875	7.500	08/19/08	10YR	10.183%
20YR	8.625	8.000	7.000	08/19/08	20YR	11.160%
25YR	8.500	9.375	7.000	08/19/08	25YR	11.437%

## INTEREST RATES UPDATE

### Philippine Government Securities

GS yields ended flat yesterday as retail accounts entered the market. Initially yields peaked 30 bps higher on follow through selling. Eventually rates settled down as trust accounts entered the market. The 2 and 3 years closed at 7.15% and 7.25% respectively. The 4 and 5 years at 7.45% and 7.65% respectively. Lastly the 7 and 10 closed at 8% and 8.1%. With the Monetary Board looking to raise their overnight rates, market is still at an upward bias.



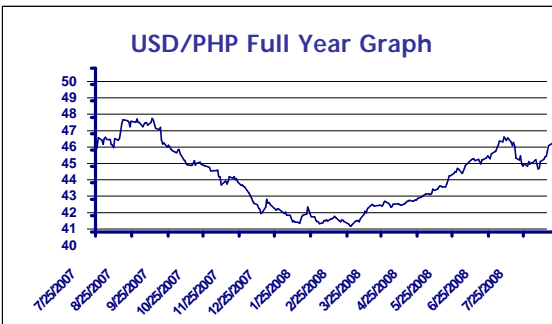
### Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices were just flat yesterday. Meanwhile, U.S. Treasuries traded lower on higher than expected PPI figures that came out of the U.S. last night. We expect ROP prices to be range bound in the near term with a downward bias on weaker equity markets as well as higher oil prices overnight.

## CURRENCIES UPDATE

### USD/PHP

The dollar went up yesterday, closing at 45.50 vs. 45.31 previously. The greenback's rally continued across the board, with the peso one of the hardest hit currencies. Weak stocks added to the peso's woes. BSP dollar sales stalled the rally at 45.50, but the uptrend remains intact. 45.60 looms as initial target. Expected range: 45.40 - 45.70.



### Major Currencies

The US Dollar was weaker across the board on the back of higher oil prices as well as higher than expected Germany PPI numbers, showing an increased chance for a rate hike to combat inflation. Bank of England minutes of the meeting will be shown today expected to offer clues as to the bias for future interest rate movements.

NY RANGE:  
 EUR USD 1.4638-1.4795  
 USD JPY 109.55-109.94  
 GBP USD 1.8573-1.8681  
 EUR JPY 160.86-162.40



## 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 Sales

**Sheilagh Rivera** 888-7015  
 AVP

Jocelyn Uy 888-7013  
 Jill Rances 888-7016  
 Francis Buenaventura 888-7014

## FX Derivatives

**Raul Victor De Guzman** 888-7012  
 SAVP

Glenn Jao 888-7017  
 Jason Yap 888-7018

## TERM OF THE DAY

**Maturity** - the date which a bond or debenture comes due and is paid off.

\* 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.