

Wednesday, April 02, 2008

DAILY MARKET EDGE

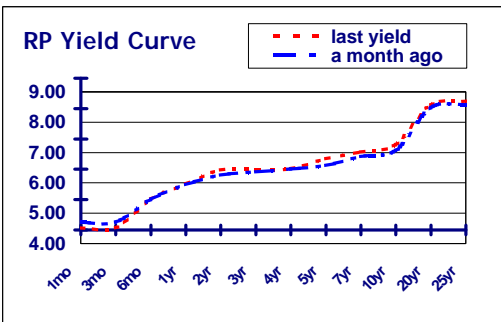
Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies			
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/1/2008	3/31/2008	As of	4/2/08 10:49 AM		
91D	3.673	3.672	0.960	04/01/08	3MO	Open	41.700	41.820	\$/CURR	BID	OFFER	
182D	4.675	4.659	2.000	04/01/08	6MO	High	41.750	41.835	JPY	101.690	101.700	
364D	5.705	5.266	5.292	04/01/08	1YR	Low	41.640	41.760	IDR	9170	9180	
						Close	41.640	41.760	SGD	1.383	1.383	
						Ave.	41.529	41.756	TWD	30.274	30.283	
						Vol.	249.500	562.500	THB	31.510	31.580	
									HKD	7.790	7.790	

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/01/08	2YR	6.256%
5YR	6.625	5.750	7.000	04/01/08	5YR	6.569%
7YR	6.500	6.500	7.500	04/01/08	7YR	6.873%
10YR	7.750	5.875	7.500	04/01/08	10YR	7.069%
20YR	8.625	8.000	7.000	04/01/08	20YR	8.485%
25YR	8.500	9.375	7.000	04/01/08	25YR	8.577%

INTEREST RATES UPDATE

Philippine Government Securities

GS Yields slightly lower yesterday by 2-5 bps across the curve on bargain hunting by banks on news of the Philippine planned Debt Swap. Market saw decent volume of 7.5bio in the market with off-the-run bonds being active due to their yield pick up. The 3 years traded 5 bps lower at 6.22%. The 4 years closed at 6.29% which is 2 bps lower than previous close. Lastly the 10 years traded at 7.08% which is 2 bps lower than previous close. We expect the yields to continue to trade at a tight range of 2-3 bps ahead of the CPI this Friday.



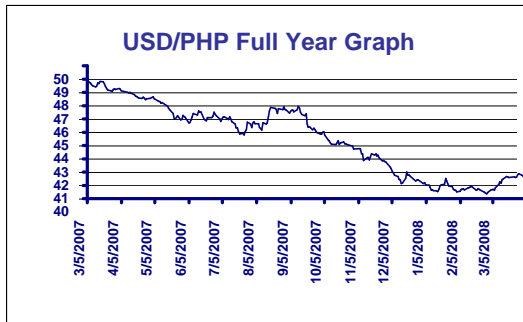
Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices were higher yesterday as Asian, European and U.S. equity markets traded higher. ROP25, ROP30, ROP31 and ROP32 were all lifted at 140.00 (6.65%), 131.375 (6.73%), 112.25 (6.69%) and 97.25 (6.60%) respectively. Meanwhile, U.S. Treasury yields traded higher as investors sold government debt and put in more risk in the form of equities. We expect ROP prices to be range bound today with an upward bias although prices should be capped by profit takers.

CURRENCIES UPDATE

USD/PHP

The dollar declined yesterday, closing at 41.64 vs. 41.76 previously. The greenback eased against Asian currencies as Asian stocks continued to gain. Risk appetite was evidently strong, with high-yield currencies like the Indian Rupee and Philippine Peso leading the gains. Fears of BSP dollar bids tempered the dollar sell-down. The weak close suggests further losses, with 41.50 looming as target. Expected range: 41.30 - 41.60.



Major Currencies

US dollar rebounded across major currencies as equity markets rebounded overnight during New York. Even commodities lower overnight due to the US dollar's recovery. Gold prices are below support level of 900 and oil back to US 100.00 per barrel. Overnight data in the US stronger than expected such as ISM US Manufacturing index showed a 49.2 in March as compared to February's 46.0. Market will still continue to be cautious ahead of Friday's all important Non Farm Payrolls to have a clearer picture of where the US economy is heading.

NY Range:

USDJPY 100.59-102.16
 EURUSD 1.5563-1.5666
 GBPUSD 1.9728-1.9860
 EURJPY 157.31-159.23



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Desiree Ang	888-7009
Inventory Management	
Nikki Chua	888-7020
Institutional Sales	
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Marc Carlos	888-7029
Mike Garcia	888-7170
Francis Buenaventura	888-7002
Maia Martirez	888-7043
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Dominic Banal	888-7005
Tracy Felipe	888-7004
FX / Money Market Sales	
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Jocelyn Uy	888-7013
Sheilagh Rivera	888-7015
Jill Rances	888-7016
MM Marfori	888-7014
Glenn Jao	888-7017
Jason Yap	888-7018

TERM OF THE DAY

Employment Rate - is the ratio (in percent) of the total number of employed persons to the total number of persons in the labor force.

* 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.