

Thursday, April 24, 2008

DAILY MARKET EDGE

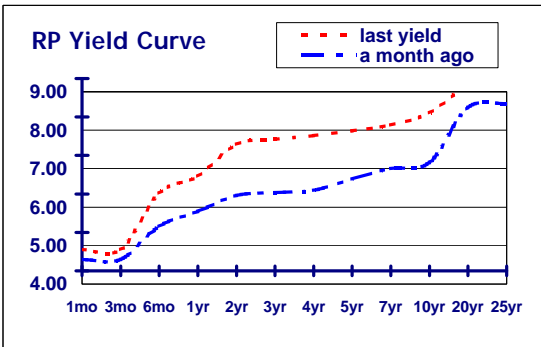
Latest Auction Results				RP Benchmark		PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	4/23/2008	4/22/2008	As of	4/24/08	10:52 AM
91D	3.673	3.672	0.960	04/23/08	3MO	Open	41.940	41.850	\$/CURR	BID	OFFER
182D	4.675	4.659	2.000	04/23/08	6MO	High	41.980	41.940	JPY	103.563	103.570
364D	5.993	5.705	4.197	04/23/08	1YR	Low	41.875	41.850	IDR	9219	9220
						Close	41.930	41.940	SGD	1.352	1.352
						Ave.	41.953	41.916	TWD	30.293	30.296
						Vol.	506.060	477.500	THB	31.480	31.500
									HKD	7.792	7.792

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	04/23/08	2YR	6.304%
5YR	6.625	5.750	7.000	04/23/08	5YR	6.725%
7YR	6.500	6.500	7.500	04/23/08	7YR	7.007%
10YR	7.750	5.875	7.500	04/23/08	10YR	7.160%
20YR	8.625	8.000	7.000	04/23/08	20YR	8.589%
25YR	8.500	9.375	7.000	04/23/08	25YR	8.696%

INTEREST RATES UPDATE

Philippine Government Securities

GS yields continue to creep higher as the bearish tone in the market is still very much present. Yields traded higher by another 10-30 bps across the curve. The 2 and 4 years traded 10 bps higher at 7.50% and 7.7% respectively. The 5 years closed 15 bps higher at 7.75% and the 9 years closed 30 bps higher at 8.25%. More aggressive sellers could come in as reports that the Philippine tax office missed its 1st quarter tax collection by 8%.



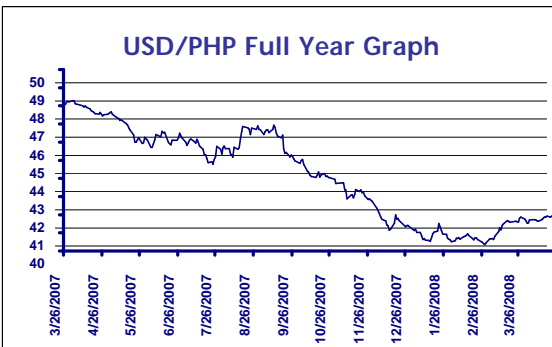
Philippine Sovereign USD Bonds

ROP prices were lower by quarter of a point on persistent selloff in Indonesian global bonds. Prices were given in ROP 30 at 131.375 (6.73%) and ROP 32 at 97.625 (6.57%). Meanwhile, US Treasury yields remained flat as higher 1Q net loss of mortgage bond insurer Ambac was offset by better than expected earnings by technology stocks. We expect ROP prices to be rangebound with a slight upward bias due to rebound in US equities and resilience in emerging market assets.

CURRENCIES UPDATE

USD/PHP

The dollar inched down yesterday, closing at 41.93 vs. 41.94 previously. The greenback was again range-bound against the peso, trading within a narrow band of 41.875 - 41.98. Offshore players continued to buy up the dollar (due to inflation worries, budget deficit issues, and economic growth concerns). However, they were met by heavy dollar offers, purportedly from the Central Bank. Trading should again be range-bound today, as market is trapped by offshore buying interest on the one hand, and firm dollar offers from the BSP on the other. Expected range: 41.85 - 42.00.



Major Currencies

US dollar rebounded against major currencies after hitting historical lows yesterday against a basket of major currencies as equity market gained on new york giving some support on the US dollar. The Australian dollar hit a 24 year low against the US dollar yesterday at .9541 before easing back as CPI numbers from Australia came in higher than expected at 4.25% against market expectation of 4.0%. Market is just looking at these levels as a temporary breather for the US dollar and it will continue to weaken as the Federal Reserve is still expected to cut its overnight rates by a 25 BP on its April 30th meeting.

NY Range:

USDJPY 102.90-103.79
 EURUSD 1.5860-1.5949
 GBPUSD 1.9773-1.9843
 EURJPY 163.81-164.74



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TERM OF THE DAY

Trade Deficit - The amount by which a country's imports exceed its exports, creating a negative balance of trade.

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