

Tuesday, June 17, 2008

DAILY MARKET EDGE

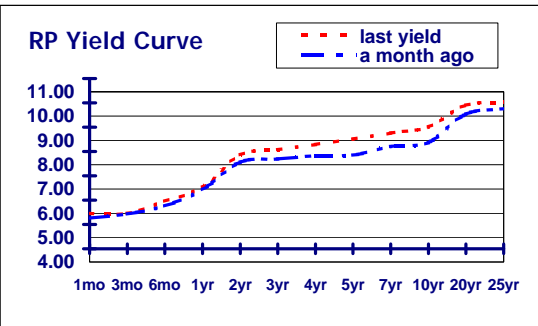
Latest Auction Results				RP Benchmark			PDS Summary			Asian Currencies		
TBills	Ave.	Prev.	Vol.	Date	TBills	\$/Php	6/16/2008	6/13/2008	As of	6/17/08	10:43 AM	
91D	3.673	3.672	0.960	06/16/08	3MO	Open	44.400	44.420	\$/CURR	BID	OFFER	
182D	4.675	4.659	2.000	06/16/08	6MO	High	44.485	44.425	JPY	107.910	107.920	
364D	6.79	6.846	14.479	06/16/08	1YR	Low	44.380	44.380	IDR	9315	9320	
						Close	44.485	44.410	SGD	1.369	1.370	
						Ave.	44.440	44.362	TWD	30.337	30.347	
						Vol.	594.500	548.500	THB	33.250	33.280	
									HKD	7.810	7.810	

FXTN	Cpn	Prev.	Vol.	Date	FXTN	
2YR	8.500	8.500	5.000	06/16/08	2YR	8.112%
5YR	8.750	8.750	7.000	06/16/08	5YR	8.398%
7YR	8.375	6.500	7.000	06/16/08	7YR	8.752%
10YR	7.750	5.875	7.500	06/16/08	10YR	8.912%
20YR	8.625	8.000	7.000	06/16/08	20YR	10.075%
25YR	8.500	9.375	7.000	06/16/08	25YR	10.300%

INTEREST RATES UPDATE

Philippine Government Securities

GS Yields traded higher by 2-5 bps yesterday after Finance Secretary Teves announced that Local Debt yields could still rise in the 2nd half of the year. The 2 years traded 2 bps higher at 7.49%. The 3 and 5 years both traded 5 bps higher at 8.20% and 8.70% respectively. Market rates still on an upward bias as of the moment as players continue to be in the defensive end.



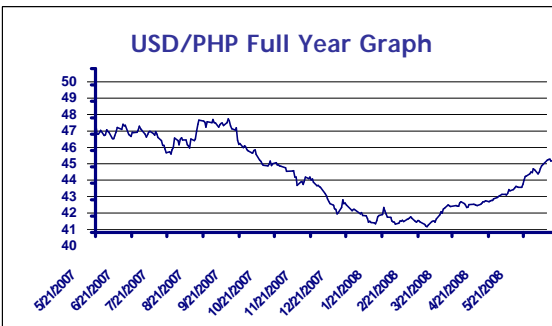
Philippine Sovereign USD Bonds

Philippine sovereign dollar bond prices were rangebound tracking other emerging market bonds. Meanwhile, US Treasury yields traded flat awaiting the US producer price index due tonight. We expect ROP prices to have a downward bias awaiting the INDON issuance details.

CURRENCIES UPDATE

USD/PHP

The dollar went up yesterday, closing at 44.485 (another 2008 closing high) from 44.41 last Friday. The dollar was range-bound for most of the day, with last-minute short-covering pushing the exchange rate at the close. The upward trend remains intact, but expected BSP dollar sales around the 44.50 level kept the dollar in check. The strong close, while suggesting further gains, may be negated by the dollar's weakness last night across the board. Still, the greenback would most probably be confined within the 44.30 - 44.50 range today.



Major Currencies

Major currencies rebounded against the US dollar overnight as European zone CPI better than previous month. European zone CPI came out 3.7% against previous month of 3.6%. Giving some support also for the US dollar's weakness are softer than market expectation on the US Empire Manufacturing. Data showed a figure of -8.7 against market expectation of -2.0. Commodities rallied also overnight especially gold and oil prices.

NY Range:

USDJPY 107.92-108.33
 EURUSD 1.5437-1.5519
 GBPUSD 1.9626-1.9688
 EURJPY 167.18-167.65



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TERM OF THE DAY

Crown Currency - currencies expressed as 1 unit and priced against a variable amount of USD. Crown currencies include: GBP, EUR, AUD, NZD

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