

FIXED INCOME MARKET

PDS TREASURY REFERENCE RATES (R2)

TENOR	DTM	TODAY	PREVIOUS WEEK	CHANGE
		02/07/14	01/30/14	
1M	51	1.6000	1.5000	0.1000
3M	86	1.0000	1.2000	-0.2000
6M	177	1.1500	1.9750	-0.8250
1Y	331	1.8750	2.0000	-0.1250
2Y	716	2.3634	2.6750	-0.3116
3Y	1010	2.7500	2.7750	-0.0250
4Y	1451	3.1085	3.4950	-0.3865
5Y	1744	3.3200	3.2921	0.0279
7Y	2501	4.0000	3.9814	0.0186
10Y	3542	4.2798	4.1228	0.1570
20Y	6979	5.0057	5.1250	-0.1193
25Y	8657	5.7767	5.4480	0.3287

GS market sold off once again as BSP Governor Tetangco continues to hint of inflation risks. Yields on the long end of the curve fell by around 7 bps as local dealers continue to churn. Real money flows were still focused on shorter duration securities.

Source: PDS and Bloomberg

STOCK MARKET



The Philippine Stock Exchange Index (PSEi), closed at 6,011, down 0.5% from the previous week, after testing the 5800 level, as investor optimism was dampened by the slowdown in manufacturing figures in the U.S.

Technically, expect the PSEi to trade in the range of 5,850-6,250 levels in the near term. If either level breaks, expect a further drop to 5,700 or a rally towards the 6,350 level.

The consumer sector continues to benefit so accumulate JFC and URC.

Source : Bloomberg

CURRENCY MARKET

PHP / US\$ RATES	02/07/14	01/30/14
Open	45.120	45.330
High	45.150	45.420
Low	44.920	45.275
Close	44.985	45.320
PDS Wt. Ave.	45.044	45.342
Volume (US\$ MM)	972.50M	846.70M

USDPHP continued its newfound risk-on sentiment as market again continued to trim their long USD positions ahead of tonight's NFP data release, thus market opened lower at 45.12. With market having seen the resistance to the upside, the local pair was well offered much of the day following the easing of swap points for offshore NDFs. The USDPHP breached the 45.00 figure level and hit lows of 44.92 as players continued to give at the bids continuously. Market repositioning pulled the USDPHP up again around the 45.00 figure level with players looking to consolidate ahead of NFP and the USDPHP closed at a new low of 44.985. WAR at 45.044 and total volume 972.50 M.

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