

### FIXED INCOME MARKET

#### PDS TREASURY REFERENCE RATES (R2)

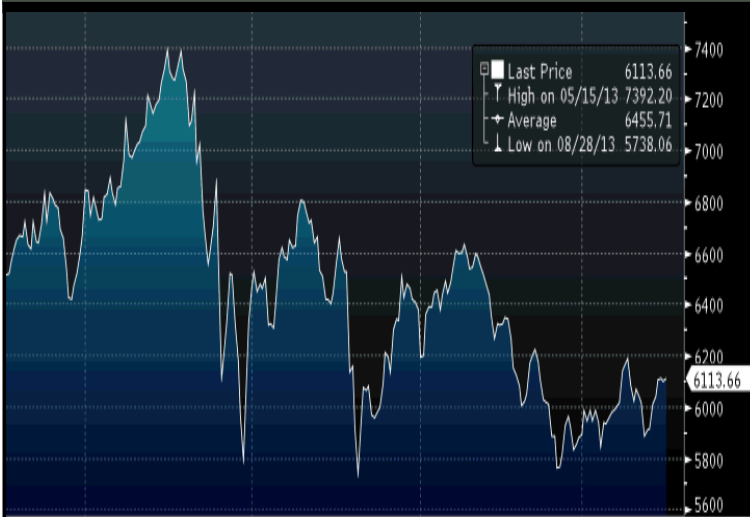
TENOR	DTM	TODAY	PREVIOUS WEEK	CHANGE
		02/14/14	02/07/14	
1M	44	1.5000	1.6000	0.1000
3M	107	1.0000	1.0000	-0.2000
6M	198	1.5000	1.1500	-0.8250
1Y	324	1.7500	1.8750	-0.1250
2Y	709	2.1151	2.3634	-0.3116
3Y	1003	2.6347	2.7500	-0.0250
4Y	1444	3.2031	3.1085	-0.3865
5Y	1737	3.7000	3.3200	0.0279
7Y	2494	4.0000	4.0000	0.0186
10Y	3535	4.0500	4.2798	0.1570
20Y	6972	5.3500	5.0057	-0.1193
25Y	8650	5.8258	5.7767	0.3287

GS market was muted as lack of new headlines kept players on the sidelines. There were clients looking for offers on the 7-10 year sector. Clients continue to look for good value picking bonds that have underperformed. Retail clients were mixed and on light volume.

Expect the local GS to consolidate with a bias on the upside and rates to remain hostage to developments abroad. Look for flows to be biased on shortening duration while market is expected to stay sensitive to local and U.S. data releases.

Sources: PDEX and Bloomberg

### STOCK MARKET



The Philippine Stock Exchange Index (PSEi), closed at 6,113, up 1.71% from the previous week, after testing the 6,200 level, as investor optimism was revived with the message of new Fed Chair Janet Yellen.

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	02/14/14	02/07/14
Open	44.840	45.120
High	44.840	45.150
Low	44.710	44.920
Close	44.735	44.985
PDS Wt. Ave.	44.770	45.044
Volume (US\$ MM)	640.10M	972.50M

Weak US data overnight encouraged markets across to sell down the greenback and take on some risk. The PHP followed suit as it opened with a heavy tone, and quickly established new lows for the week at 44.765. Reluctant to sell on even further, bids seemed to emerge together with corporate names taking advantage of the dip. Hence, the market found itself trading above 44.80 yet again. Sentiment after the midday break turned in favor of the PHP yet again and price movement was pretty one-sided from then on. Some shorts were covered at 44.71 though which pushed the USDPHP slightly higher to close the week at 44.735.

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