

OFFICIAL STATEMENT

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Contact: *Dr. Johnny Noe E. Ravalo*
Senior Adviser to the CEO
(+632) 884-5036

GS Trading Volume Breaches Php1 Trillion Milestone

Trading of Government Securities at the Philippine Dealing & Exchange Corp. (PDEX) yesterday went over the Php1 Trillion threshold for the year. The milestone was achieved at 3:14pm, Manila time, bringing the year-to-date volume to Php1.003 Trillion as of yesterday's trading close.

	Trading Days	Volume (PHP Millions)	Daily Avg (PHP Million / Day)	Lot Size (PHP Million / Trade)
2005	185	432,479.70	2,337.73	69.77
2006	243	787,395.32	3,240.31	73.92
2007 (Up to Oct3)	189	1,003,726.01	5,310.72	88.82

Vicente B. Castillo, President and CEO of the PDS Group described yesterday's action as an "achievement and validation of our initiatives". He added that "although getting to this point is a milestone in and of itself, what is more significant is that the numbers suggest that our markets are moving further and forward".

The PDS Group is the parent company of the PDEX and includes the Philippine Depository & Trust Corp. (PDTC) and the Philippine Securities Settlement Corp. (PSSC).

Trade Activity Suggests a Deeper Market

Breaching the P1 Trillion threshold has been achieved through marked improvements in several facets of trading activity. The most significant increase thus far is in "Average daily

volume” which is 64% above the figure for the whole of 2006.

First Quarter to Third Quarter Statistics

	Trading Days	Volume (PHP Millions)	Daily Avg (PHP Million / Day)	Lot Size (PHP Million / Trade)
2006	183	450,613.64	2,462.37	69.61
2007	186	964,667.40	5,186.38	88.57
Growth		114.1 %	110.6 %	27.2 %

Comparing operations over the first three quarters, however, the change is much more revealing. Trade activity at PDEX this year has already doubled that of last year with significant increases in daily activity and the average amount traded per transaction.

“The trade volume data is of course very encouraging. At this stage, we are already 27% higher than the total for 2006 and the year-to-date figures are even more significant” said Mr. Cesar B. Crisol, PDEX President and COO.

But Mr. Crisol points out that his greatest satisfaction comes from seeing the market being more comfortable with the longer tenors.

“We have seen record trade volumes in September coinciding with market developments on interest rate movements. But the real surprise here is that there has been substantial activity in the longer tenors as much as in securities with short tenors” Mr. Crisol points out.

“This lengthening of the trade focus is *“the”* difference and suggests the maturation of our market”, he adds.