

Philippines

Total local currency (LCY) bonds outstanding in the Philippines reached PHP4.1 trillion (US\$99 billion) in 1Q13, declining 0.3% quarter-on-quarter (q-o-q), but increasing 13.7% year-on-year (y-o-y). The corporate bond market expanded 1.1% q-o-q and 19.8% y-o-y in 1Q13.

Table 1: Size and Composition of the LCY Bond Market in the Philippines

	Outstanding Amount (billion)						Growth Rate (%)			
	1Q12		4Q12		1Q13		1Q12		1Q13	
	PHP	US\$	PHP	US\$	PHP	US\$	q-o-q	y-o-y	q-o-q	y-o-y
Total	3,562	83	4,064	99	4,051	99	5.1	12.8	(0.3)	13.7
Government	3,118	73	3,538	86	3,519	86	5.6	13.2	(0.6)	12.8
Treasury Bills	268	6	275	7	286	7	(9.3)	(33.0)	4.1	6.9
Treasury Bonds	2,724	63	3,150	77	3,119	76	6.9	21.8	(1.0)	14.5
Others	127	3	113	3	113	3	14.6	6.0	0.0	(10.7)
Corporate	444	10	526	13	532	13	1.9	10.4	1.1	19.8

() = negative, LCY = local currency, q-o-q = quarter-on-quarter, y-o-y = year-on-year.

Notes:

1. Calculated using data from national sources.
2. Bloomberg end-of-period LCY-US\$ rates are used.
3. Growth rates are calculated from an LCY base and do not include currency effects.
4. Data for Government as of end-February 2013.
5. Others comprises bonds issued by government agencies, entities, and corporations for which repayment is guaranteed by the Government of the Philippines. This includes bonds issued by Power Sector Assets and Liabilities Management (PSALM) and the National Food Authority, among others.
6. Peso Global Bonds (PHP-denominated bonds payable in US\$) and multi-currency Retail Treasury Bonds (RTBs) are not included. As of end-March 2013, the Government of the Philippines and Petron Corporation had PHP129.7 billion and PHP20.0 billion of outstanding Peso Global Bonds, respectively. There was a total of PHP20.4 billion of outstanding multi-currency Treasury Bonds as of end-March 2013.

Source: Bureau of the Treasury and Bloomberg LP.

Corporate bond issuance in 1Q13 grew 21.9% q-o-q and remained unchanged on a y-o-y basis. Financial institutions, including banks and investment companies, were the lead issuers of debt in 1Q13.

Table 2: Notable LCY Corporate Issuance in 1Q13

Corporate Issuers	Coupon Rate (%)	Issued Amount (PHP billion)
BDO Unibank Inc.		
5-year certificate of deposit	3.80	5
Eagle Cement Corporation		
7-year bond	5.75	5
GT Capital Holdings Inc.		
7-year bond	4.84	5
10-year bond	5.09	5

Source: Bloomberg LP.

LCY bonds outstanding among the top 31 corporate bond issuers in the Philippines reached PHP489.7 billion at the end of 1Q13, representing 92.1% of total corporate bonds outstanding.

Table 3: Top 31 Issuers of LCY Corporate Bonds in the Philippines

Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
	LCY Bonds (PHP billion)	LCY Bonds (US\$ billion)			
1. San Miguel Brewery Inc.	45.2	1.1	No	Yes	Brewery
2. Ayala Corporation	40.0	1.0	No	Yes	Diversified Operations
3. BDO Unibank Inc.	38.0	0.9	No	Yes	Banking
4. SM Investments Corporation	36.1	0.9	No	Yes	Diversified Operations
5. Ayala Land Inc.	31.2	0.8	No	Yes	Real Estate
6. Philippine National Bank	21.9	0.5	No	Yes	Banking
7. Manila Electric Company	19.4	0.5	No	Yes	Electricity Distribution
8. Philippine Long Distance Telephone Co.	17.3	0.4	No	Yes	Telecommunications
9. Maynilad Water Services	16.6	0.4	No	Yes	Water
10. SM Development Corporation	16.3	0.4	No	Yes	Real Estate
11. Filinvest Land Inc.	14.5	0.4	No	Yes	Real Estate
12. Rizal Commercial Banking Corporation	14.0	0.3	No	Yes	Banking
13. Petron Corporation	13.6	0.3	No	Yes	Oil Refining and Marketing
14. JG Summit Holdings Inc.	13.3	0.3	No	Yes	Diversified Operations
15. Security Bank Corporation	13.0	0.3	No	Yes	Banking
16. First Metro Investment Corporation	12.0	0.3	No	No	Investment Banking
17. Robinsons Land Corporation	12.0	0.3	No	Yes	Real Estate
18. Energy Development Corporation	12.0	0.3	No	Yes	Electricity Generation
19. MTD Manila Expressway Corporation	11.5	0.3	No	No	Transport Services
20. South Luzon Tollway Corporation	11.0	0.3	No	No	Transport Services
21. Globe Telecom Inc.	10.9	0.3	No	Yes	Telecommunications
22. Metropolitan Bank & Trust Co.	10.0	0.2	No	Yes	Banking
23. GT Capital Holdings Inc.	10.0	0.2	No	Yes	Investment Companies
24. United Coconut Planters Bank	9.5	0.2	No	No	Banking
25. Allied Banking Corporation	8.0	0.2	No	Yes	Banking
26. Megaworld Corporation	6.4	0.2	No	Yes	Real Estate
27. Manila North Tollways Corporation	6.1	0.1	No	No	Public Thoroughfares
28. Tanduay Distilleries Inc.	5.0	0.1	No	Yes	Alcoholic Beverages
29. SM Prime Holdings, Inc.	5.0	0.1	No	Yes	Real Estate
30. Bank of the Philippine Islands	5.0	0.1	No	Yes	Banking
31. China Banking Corporation	5.0	0.1	No	Yes	Banking
Total Top 31 LCY Corporate Issuers	489.7	12.0			
Total LCY Corporate Bonds	532.0	13.0			
Top 31 as % of Total LCY Corporate Bonds	92.1%	92.1%			

LCY = local currency.

Notes:

1. Data as of end-March 2013.

2. Petron Corporation has PHP20 billion of Global Peso Bonds outstanding that are not included in this table.

3. State-owned firms are defined as those in which the government has more than a 50% ownership stake.

Source: *AsianBondsOnline* calculations based on Bloomberg data.