

## Philippines

The amount of local currency (LCY) bonds outstanding in the Philippine market fell 0.8% quarter-on-quarter (q-o-q) in the fourth quarter (Q4) of 2019 to PHP6,645.8 billion (USD131.2 billion) at the end of December, led by a decline in the outstanding stock of government bonds. LCY government bonds fell 2.1% q-o-q to PHP5,141.1 billion as both Treasury bills and Treasury bonds registered q-o-q declines in Q4 2019. Meanwhile, the Philippine LCY corporate bond market expanded 4.0% q-o-q to PHP1,504.7 billion due to higher issuance during the quarter. On a year-on-year basis, the Philippine LCY bond market grew 9.0%.

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

	Outstanding Amount (billion)						Growth Rate (%)			
	Q4 2018		Q3 2019		Q4 2019		Q4 2018		Q4 2019	
	PHP	USD	PHP	USD	PHP	USD	q-o-q	y-o-y	q-o-q	y-o-y
<b>Total</b>	<b>6,098</b>	<b>116</b>	<b>6,699</b>	<b>129</b>	<b>6,646</b>	<b>131</b>	<b>5.3</b>	<b>11.4</b>	<b>(0.8)</b>	<b>9.0</b>
Government	4,783	91	5,253	101	5,141	101	4.1	7.4	(2.1)	7.5
Treasury Bills	494	9	553	11	486	10	12.6	57.2	(12.1)	(1.6)
Treasury Bonds	4,255	81	4,678	90	4,615	91	3.3	3.8	(1.3)	8.5
Others	34	1	22	0.4	40	1	(0.02)	(16.2)	83.4	18.3
Corporate	1,315	25	1,447	28	1,505	30	9.7	28.9	4.0	14.5

( ) = negative, LCY = local currency, PHP = Philippine peso, q-o-q = quarter-on-quarter, Q3 = third quarter, Q4 = fourth quarter, USD = United States dollar, y-o-y = year-on-year. Notes:

1. Calculated using data from national sources.

2. Bloomberg end-of-period LCY-USD rates are used.

3. Growth rates are calculated from an LCY base and do not include currency effects.

4. "Others" comprise 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 and the National Food Authority, among others.

Sources: Bloomberg LP and Bureau of the Treasury.

Corporate bond issuance in the Philippines surged 42.4% q-o-q to PHP106.4 billion in Q4 2019 from PHP74.7 billion in the previous quarter. Table 2 provides a list of LCY corporate bond issuances in the Philippines in Q4 2019.

Table 2: Notable Local Currency Corporate Bond Issuance in the Fourth Quarter of 2019

Corporate Issuers	Coupon Rate (%)	Issued Amount (PHP billion)	Corporate Issuers	Coupon Rate (%)	Issued Amount (PHP billion)
China Bank			Phoenix Petroleum		
1.5-year bond	5.70	30.00	1-year bond	-	3.50
Metrobank			Ayala Land		
2-year bond	5.50	11.30	5-year bond	4.76	3.00
BDO Unibank			SL Agritech		
5.5-year bond	4.00	6.50	0.25-year bond	-	0.20
Philippine Savings Bank			0.50-year bond	-	0.20
2-year bond	5.60	6.30	1-year bond	-	1.60
Security Bank			Alsons Consolidated		
5.5 year bond	4.00	6.06	0.25-year bond	-	0.20
Robinsons Bank			0.50-year bond	-	0.29
2-year bond	5.13	5.00	1-year bond	-	0.61

PHP = Philippine peso.

Source: Bloomberg LP.

**LCY bonds outstanding among the top 30 corporate bonds issuers in the Philippines reached PHP1,327.1 billion at the end of Q4 2019, accounting for 88.2% of total LCY corporate bonds outstanding.**

**Table 3: Top 30 Issuers of Local Currency Corporate Bonds in the Philippines**

	Issuers	Outstanding Amount		State-Owned	Listed Company	Type of Industry
		LCY Bonds (PHP billion)	LCY Bonds (USD billion)			
1.	Metropolitan Bank	128.3	2.5	No	Yes	Banking
2.	Ayala Land	105.0	2.1	No	Yes	Property
3.	SM Prime Holdings	103.7	2.0	No	Yes	Property
4.	BDO Unibank	91.3	1.8	No	Yes	Banking
5.	SMC Global Power	80.0	1.6	No	No	Electricity, Energy, and Power
6.	San Miguel	70.0	1.4	No	Yes	Holding Firms
7.	Philippine National Bank	59.2	1.2	No	Yes	Banking
8.	China Bank	56.2	1.1	No	Yes	Banking
9.	Security Bank	50.8	1.0	No	Yes	Banking
10.	Rizal Commercial Banking Corporation	48.7	1.0	No	Yes	Banking
11.	Vista Land	43.6	0.9	No	Yes	Property
12.	Petron	42.9	0.8	No	Yes	Electricity, Energy, and Power
13.	SM Investments	42.7	0.8	No	Yes	Holding Firms
14.	Ayala Corporation	40.0	0.8	No	Yes	Holding Firms
15.	Bank of the Philippine Islands	37.2	0.7	No	Yes	Banking
16.	Aboitiz Equity Ventures	37.0	0.7	No	Yes	Holding Firms
17.	Maynilad	33.0	0.7	No	No	Water
18.	Aboitiz Power	30.5	0.6	No	Yes	Electricity, Energy, and Power
19.	Union Bank of the Philippines	27.0	0.5	No	Yes	Banking
20.	Manila Electric Company	23.0	0.5	No	Yes	Electricity, Energy, and Power
21.	Filinvest Land	22.0	0.4	No	Yes	Property
22.	San Miguel Brewery	22.0	0.4	No	No	Brewery
23.	East West Banking	21.5	0.4	No	Yes	Banking
24.	Philippine Savings Bank	20.8	0.4	No	Yes	Banking
25.	GT Capital	19.0	0.4	No	Yes	Holding Firms
26.	Robinsons Bank	16.0	0.3	No	No	Banking
27.	Doubledragon	15.0	0.3	No	Yes	Property
28.	PLDT	15.0	0.3	No	Yes	Telecommunications
29.	NLEX Corporation	13.9	0.3	No	No	Transport
30.	Megaworld	12.0	0.2	No	Yes	Property
<b>Total Top 30 LCY Corporate Issuers</b>		<b>1,327.1</b>	<b>26.2</b>			
<b>Total LCY Corporate Bonds</b>		<b>1,504.7</b>	<b>29.7</b>			
<b>Top 30 as % of Total LCY Corporate Bonds</b>		<b>88.2%</b>	<b>88.2%</b>			

LCY = local currency, PHP = Philippine peso, USD = United States dollar.

Notes:

1. Data as of 31 December 2019.

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

Source: *AsianBondsOnline* calculations based on Bloomberg LP data.