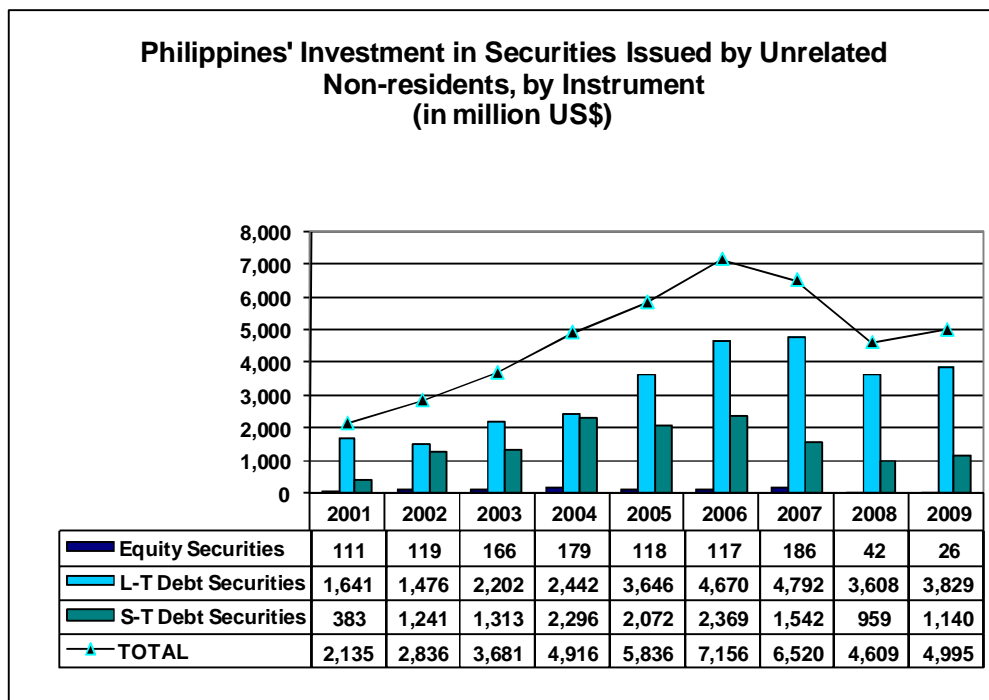


Summary Results of the 2009 Coordinated Portfolio Investment Survey

Residents' total foreign portfolio investments post a rebound after two years of consecutive declines. With improved risk appetite and investors' growing confidence in the global economic recovery, residents' placements in portfolio investments abroad, consisting of equity and debt securities issued by unrelated non-residents, climbed to US\$5.0 billion as of end-2009, higher by 8.4 percent than the US\$4.6 billion recorded in end-2008.¹ The improvement emanated from the growth in holdings by residents of long-term debt securities and short-term notes by 6.1 percent and 18.8 percent, respectively. In particular, substantial growth was reported in the holdings of treasury notes and other long-term debt securities (by 12.2 percent) and short-term commercial and financial papers (by 52.9 percent). These positive developments in 2009 were in sharp contrast to the declines posted in 2007 (-8.9 percent) and in 2008 (-29.3 percent) when risk aversion permeated the global financial landscape following the financial turbulence in the US and its spread to other economies.



¹ A non-resident counterparty is defined as unrelated to the resident enterprise if the counterparty has an equity interest of less than 10 percent in the enterprise, or vice-versa. If the counterparty's share is 10 percent or more in the resident enterprise's equity, it is considered a related non-resident. In the latter case, transactions in equities and debt securities between the counterparty and the enterprise are classified as direct investment.

Residents' holdings of portfolio investments comprise mainly of long-term debt securities. Residents' holdings of debt securities continued to account for the bulk (99.5 percent) of total foreign portfolio investments. The remaining 0.5 percent were placements in equity securities. As of end-2009, more than three-fourths (76.7 percent) of the debt securities held by residents were of long tenor while 22.8 percent were of short-term maturities. Long-term debt securities also accounted for more than half (4.8 percentage points) of the 8.4 percent increase in residents' foreign portfolio investments.

Chart 2.

Philippines' Investment in Securities Issued by Unrelated Non-Residents

In million US dollars

As of Period Indicated

By instrument	end-2009	end-2008	Annual % change	Percentage points contribution to change	% share to total	
					end-2009	end-2008
Equity Securities	26.1	42.4	-38.4%	-0.4%	0.5%	0.9%
Shares in Mutual Funds & Inv. Trusts	0.0	4.4	-100.0%	-0.1%	0.0%	0.1%
Stocks/Others	26.1	38.0	-31.4%	-0.3%	0.5%	0.8%
Debt Securities	4,968.5	4,566.7	8.8%	8.7%	99.5%	99.1%
Long-Term Debt Securities	3,828.8	3,607.7	6.1%	4.8%	76.7%	78.3%
Bonds	2,520.5	2,441.2	3.2%	1.7%	50.5%	53.0%
Treasury Notes/Others	1,308.3	1,166.4	12.2%	3.1%	26.2%	25.3%
Short-Term Debt Securities	1,139.8	959.1	18.8%	3.9%	22.8%	20.8%
Treasury Bills	761.9	712.0	7.0%	1.1%	15.3%	15.4%
Comm'l and Financial Papers/Others	377.9	247.1	52.9%	2.8%	7.6%	5.4%
TOTAL	4,994.6	4,609.1	8.4%	8.4%	100.0%	100.0%

U.S. remains as top country-issuer of securities held by residents.

Securities issued by the U.S. still comprised the biggest percentage of residents' foreign portfolio investments, representing about half of total holdings in end-2009. The 49.2 percent share of holdings of US issuances was a considerable increase from the 39.3 percent share in end-2008. Issuances by the U.K. comprised the second largest chunk of residents' investments for the past three consecutive years, accounting for 8.6 percent in end-2009. The third largest country-issuer of residents' foreign portfolio holdings in end-2009 was Indonesia with share of 7.6 percent. In terms of year-on-year growth, residents' holdings of U.S.-issued securities reversed to a 35.6 percent expansion from a 23.5 percent decline in 2008. An uptrend was also noted in residents' holdings of securities issued by Korea, Japan and Malaysia. Meanwhile, residents' holdings of securities issued by the U.K. continued to be on a downtrend (at -15.5 percent in 2008 to -41.7 percent in 2009). The U.S. largely accounted for the 8.4 percent growth in total holdings of foreign-issued securities, contributing 14.0 percentage points, followed by Indonesia at 5.8 percentage points.

Chart 3.
Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
In million US dollars
As of Period Indicated

By country of issuer of securities	end-2009	end-2008	Annual % change	Percentage points contribution to change	% share to total	
					end-2009	end-2008
United States	2,457.7	1,811.8	35.6%	14.0%	49.2%	39.3%
United Kingdom	428.8	734.9	-41.7%	-6.6%	8.6%	15.9%
Indonesia	381.3	116.0	228.6%	5.8%	7.6%	2.5%
Korea	182.8	67.2	172.2%	2.5%	3.7%	1.5%
Singapore	160.2	178.1	-10.0%	-0.4%	3.2%	3.9%
Netherlands	134.4	151.3	-11.2%	-0.4%	2.7%	3.3%
Cayman Islands	124.0	253.2	-51.0%	-2.8%	2.5%	5.5%
Japan	106.0	50.6	109.5%	1.2%	2.1%	1.1%
Switzerland	92.2	126.3	-27.0%	-0.7%	1.8%	2.7%
Australia	92.0	138.9	-33.8%	-1.0%	1.8%	3.0%
Hong Kong	75.7	106.3	-28.7%	-0.7%	1.5%	2.3%
Malaysia	56.4	33.5	68.4%	0.5%	1.1%	0.7%
Germany	13.3	26.8	-50.4%	-0.3%	0.3%	0.6%
International Organization	87.4	91.5	-4.4%	-0.1%	1.8%	2.0%
Other Asian Countries	63.0	127.1	-50.5%	-1.4%	1.3%	2.8%
All Other Countries	539.4	595.6	-9.4%	-1.2%	10.8%	12.9%
TOTAL	4,994.6	4,609.1	8.4%	8.4%	100.0%	100.0%

Holdings of securities by residents continue to be predominantly U.S. dollar-denominated. Residents' foreign portfolio investments remained mostly denominated in U.S. dollars, at 94.5 percent of total holdings in end-2009. The rest of residents' investments were denominated in euro (2.2 percent), Japanese yen (1.1 percent), Philippine peso (1.1 percent), and in other currencies such as the British pound, Australian dollar, Brazilian real and Korean won (in smaller percentages).

Foreign governments account for the largest share of non-resident issuer of securities held by residents. By sector of issuer, residents' foreign portfolio investments in securities issued by the foreign government sector accounted for the highest share at 29.8 percent as of end-2009. This was the first time since 2007 that foreign governments posted a higher share compared to that of banks, reflecting the significant impact of the global financial crisis on the banking sector.² As of end-2009, the share of portfolio investments in foreign

² Monitoring of data by sector of issuer of residents' foreign portfolio investments started only in the 2007 CPIS.

banks' issuances dropped to 28.0 percent from the 39.7 percent share in end-2008, while those in foreign governments was almost unchanged. A notable increase in the share of foreign non-bank financial corporations' issuances was observed, from 17.4 percent in 2008 to 27.9 percent in 2009, due to the 73.9 percent rise (contributing 12.8 percentage points to the total 8.4 percent increase in residents' foreign portfolio investments during the period) in the holdings of securities issued by this sector. There was also a notable increase of 139.3 percent in residents' holdings of foreign central banks' issuances, although its contribution to the total increase was only 1.3 percentage points.

Chart 4.

Philippines' Investment in Securities Issued by Unrelated Non-Residents

By Sector of Non-Resident Issuer

In million US dollars

As of Period Indicated

Sector of non-resident issuer	end-2009	end-2008	Annual % change	Percentage points contribution to change	% share to total	
					end-2009	end-2008
Bank	1,399.8	1,830.6	-23.5%	-9.3%	28.0%	39.7%
Non-bank financial corporation	1,391.5	800.1	73.9%	12.8%	27.9%	17.4%
Non-financial corporation	521.5	472.1	10.5%	1.1%	10.4%	10.2%
Foreign government	1,490.1	1,371.1	8.7%	2.6%	29.8%	29.7%
Foreign central bank	104.5	43.7	139.3%	1.3%	2.1%	0.9%
International organization	87.2	91.5	-4.7%	-0.1%	1.7%	2.0%
TOTAL	4,994.6	4,609.1	8.4%	8.4%	100.0%	100.0%

Residents' foreign portfolio investments record holding gains. As of end- 2009, residents' foreign portfolio investments recorded total holding gains of US\$141.1 million, of which US\$104.6 million was realized, mainly on short-term debt securities (US\$100.1 million), and the remaining US\$36.5 million was unrealized. Resident holders of foreign securities generated holding gains as the market value or yield of securities increased with the continued decline in global interest rates.

Table 1a: Philippines' Investment in Securities Issued by Unrelated Non-Residents
In Million US Dollars
As of Period Indicated

Instrument	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009
Equity Securities	110.8	118.6	166.0	178.6	117.5	117.2	185.8	42.4	26.1
Shares in Mutual Funds & Investment Trusts	25.7	42.6	74.4	71.5	69.8	71.1	9.1	4.4	0.0
Stocks/Others	85.2	76.0	91.6	107.1	47.7	46.1	176.7	38.0	26.1
Debt Securities	2,024.1	2,717.0	3,514.6	4,737.4	5,718.3	7,038.6	6,333.8	4,566.7	4,968.5
Long-Term Debt Securities	1,641.3	1,476.0	2,201.8	2,441.6	3,645.8	4,669.9	4,792.0	3,607.7	3,828.8
Bonds	252.5	240.6	435.7	930.4	1,510.8	2,554.9	3,259.2	2,441.2	2,520.5
Treasury Notes/Others	1,388.8	1,235.4	1,766.0	1,511.2	2,135.0	2,115.0	1,532.8	1,166.4	1,308.3
Short-Term Debt Securities	382.9	1,241.1	1,312.9	2,295.8	2,072.4	2,368.7	1,541.8	959.1	1,139.8
Treasury Bills	61.2	498.8	165.3	821.3	437.2	741.8	826.4	712.0	761.9
Commercial and Financial Papers/Others	321.7	742.2	1,147.6	1,474.5	1,635.2	1,626.9	715.4	247.1	377.9
TOTAL	2,135.0	2,835.7	3,680.7	4,916.0	5,835.8	7,155.8	6,519.5	4,609.1	4,994.6

Table 1b: Philippines' Investment in Securities Issued by Unrelated Non-Residents
Percent Share to Total
As of Period Indicated

Instrument	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009
Equity Securities	5.2%	4.2%	4.5%	3.6%	2.0%	1.6%	2.8%	0.9%	0.5%
Shares in Mutual Funds & Investment Trusts	1.2%	1.5%	2.0%	1.5%	1.2%	1.0%	0.1%	0.1%	0.0%
Stocks/Others	4.0%	2.7%	2.5%	2.2%	0.8%	0.6%	2.7%	0.8%	0.5%
Debt Securities	94.8%	95.8%	95.5%	96.4%	98.0%	98.4%	97.2%	99.1%	99.5%
Long-Term Debt Securities	76.9%	52.0%	59.8%	49.7%	62.5%	65.3%	73.5%	78.3%	76.7%
Bonds	11.8%	8.5%	11.8%	18.9%	25.9%	35.7%	50.0%	53.0%	50.5%
Treasury Notes/Others	65.1%	43.6%	48.0%	30.7%	36.6%	29.6%	23.5%	25.3%	26.2%
Short-Term Debt Securities	17.9%	43.8%	35.7%	46.7%	35.5%	33.1%	23.6%	20.8%	22.8%
Treasury Bills	2.9%	17.6%	4.5%	16.7%	7.5%	10.4%	12.7%	15.4%	15.3%
Commercial and Financial Papers/Others	15.1%	26.2%	31.2%	30.0%	28.0%	22.7%	11.0%	5.4%	7.6%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 1c: Philippines' Investment in Securities Issued by Unrelated Non-Residents
Annual Percent Change
As of Period Indicated

Instrument	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Equity Securities	7.1%	39.9%	7.6%	-34.2%	-0.3%	58.5%	-77.2%	-38.4%
Shares in Mutual Funds & Investment Trusts	66.0%	74.6%	-3.9%	-2.4%	1.9%	-87.2%	-52.1%	-100.0%
Stocks/Others	-10.7%	20.5%	16.9%	-55.5%	-3.4%	283.3%	-78.5%	-31.4%
Debt Securities	34.2%	29.4%	34.8%	20.7%	23.1%	-10.0%	-27.9%	8.8%
Long-Term Debt Securities	-10.1%	49.2%	10.9%	49.3%	28.1%	2.6%	-24.7%	6.1%
Bonds	-4.7%	81.1%	113.5%	62.4%	69.1%	27.6%	-25.1%	3.2%
Treasury Notes/Others	-11.1%	43.0%	-14.4%	41.3%	-0.9%	-27.5%	-23.9%	12.2%
Short-Term Debt Securities	224.2%	5.8%	74.9%	-9.7%	14.3%	-34.9%	-37.8%	18.8%
Treasury Bills	715.7%	-66.9%	397.0%	-46.8%	69.7%	11.4%	-13.8%	7.0%
Commercial and Financial Papers/Others	130.7%	54.6%	28.5%	10.9%	-0.5%	-56.0%	-65.5%	52.9%
TOTAL	32.8%	29.8%	33.6%	18.7%	22.6%	-8.9%	-29.3%	8.4%

Table 1d: Philippines' Investment in Securities Issued by Unrelated Non-Residents
Percentage Points Contribution to Annual Change
As of Period Indicated

Instrument	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Equity Securities	0.4%	1.7%	0.3%	-1.2%	0.0%	1.0%	-2.2%	-0.4%
Shares in Mutual Funds & Investment Trusts	0.8%	1.1%	-0.1%	0.0%	0.0%	-0.9%	-0.1%	-0.1%
Stocks/Others	-0.4%	0.6%	0.4%	-1.2%	0.0%	1.8%	-2.1%	-0.3%
Debt Securities	32.5%	28.1%	33.2%	20.0%	22.6%	-9.8%	-27.1%	8.7%
Long-Term Debt Securities	-7.7%	25.6%	6.5%	24.5%	17.5%	1.7%	-18.2%	4.8%
Bonds	-0.6%	6.9%	13.4%	11.8%	17.9%	9.8%	-12.5%	1.7%
Treasury Notes/Others	-7.2%	18.7%	-6.9%	12.7%	-0.3%	-8.1%	-5.6%	3.1%
Short-Term Debt Securities	40.2%	2.5%	26.7%	-4.5%	5.1%	-11.6%	-8.9%	3.9%
Treasury Bills	20.5%	-11.8%	17.8%	-7.8%	5.2%	1.2%	-1.8%	1.1%
Commercial and Financial Papers/Others	19.7%	14.3%	8.9%	3.3%	-0.1%	-12.7%	-7.2%	2.8%
TOTAL	32.8%	29.8%	33.6%	18.7%	22.6%	-8.9%	-29.3%	8.4%

Table 2a: Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
In million US dollars
As of Period Indicated

Country of Issuer of Securities	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009
United States	1,844.2	2,305.9	2,535.1	3,212.0	2,712.9	3,090.8	2,368.5	1,811.8	2,457.7
United Kingdom	24.1	142.9	391.4	472.9	431.2	588.3	870.0	734.9	428.8
Indonesia	3	4	4.0	3	8	6	48.6	116.0	381.3
Korea	6.5	14.8	36.5	52.2	62.3	66.1	169.7	67.2	182.8
Singapore	61.6	49.8	30.4	26.4	627.7	621.7	500.8	178.1	160.2
Netherlands	0	1	76.4	69	70	164	108.2	151.3	134.4
Cayman Islands	27.3	15.7	17.5	17.9	178.1	245.8	297.4	253.2	124.0
Japan	5.5	8.1	13.6	12.3	18.6	7.8	83.2	50.6	106.0
Switzerland	0.0	6	20.6	6.2	41	164	10.5	126.3	92.2
Australia	10.0	10.0	20.3	26.9	109.8	321.0	359.7	138.9	92.0
Hong Kong	25.0	98.3	141.7	57.4	114.2	237.2	155.1	106.3	75.7
Malaysia	9.0	10.2	23.9	37.7	267.4	330.1	271.9	33.5	56.4
Germany	15.6	31.0	51.0	223.7	208.0	217.9	143.6	26.8	13.3
International Organization	0.0	0.0	15.3	5.8	18.1	22.6	157.1	91.5	87.4
Other Asian Countries	18.4	21.0	36.7	25.1	77.2	34.2	172.1	127.1	63.0
All Other Countries	84.5	116.3	266.3	667.8	892.0	1,039.6	803.0	595.6	539.4
TOTAL	2,134.9	2,835.6	3,680.7	4,916.0	5,835.8	7,155.8	6,519.5	4,609.1	4,994.6

Table 2b: Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
Percent Share to Total
As of Period Indicated

Country of Issuer of Securities	end-2001	end-2002	end-2003	end-2004	end-2005	end-2006	end-2007	end-2008	end-2009
United States	86.4%	81.3%	68.9%	65.3%	46.5%	43.2%	36.3%	39.3%	49.2%
United Kingdom	1.1%	5.0%	10.6%	9.6%	7.4%	8.2%	13.3%	15.9%	8.6%
Indonesia	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.7%	2.5%	7.6%
Korea	0.3%	0.5%	1.0%	1.1%	1.1%	0.9%	2.6%	1.5%	3.7%
Singapore	2.9%	1.8%	0.8%	0.5%	10.8%	8.7%	7.7%	3.9%	3.2%
Netherlands	0.0%	0.0%	2.1%	1.4%	1.2%	2.3%	1.7%	3.3%	2.7%
Cayman Islands	1.3%	0.6%	0.5%	0.4%	3.1%	3.4%	4.6%	5.5%	2.5%
Japan	0.3%	0.3%	0.4%	0.2%	0.3%	0.1%	1.3%	1.1%	2.1%
Switzerland	0.0%	0.2%	0.6%	0.1%	0.7%	2.3%	0.2%	2.7%	1.8%
Australia	0.5%	0.4%	0.6%	0.5%	1.9%	4.5%	5.5%	3.0%	1.8%
Hong Kong	1.2%	3.5%	3.8%	1.2%	2.0%	3.3%	2.4%	2.3%	1.5%
Malaysia	0.4%	0.4%	0.7%	0.8%	4.6%	4.6%	4.2%	0.7%	1.1%
Germany	0.7%	1.1%	1.4%	4.6%	3.6%	3.0%	2.2%	0.6%	0.3%
International Organization	0.0%	0.0%	0.4%	0.1%	0.3%	0.3%	2.4%	2.0%	1.8%
Other Asian Countries	0.9%	0.7%	1.0%	0.5%	1.3%	0.5%	2.6%	2.8%	1.3%
All Other Countries	4.0%	4.1%	7.2%	13.6%	15.3%	14.5%	12.3%	12.9%	10.8%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 2c: Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
Annual Percent Change
As of Period Indicated

Country of Issuer of Securities	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
United States	25.0%	9.9%	26.7%	-15.5%	13.9%	-23.4%	-23.5%	35.6%
United Kingdom	492.3%	174.0%	20.8%	-8.8%	36.4%	47.9%	-15.5%	-41.7%
Indonesia	33.2%	0.0%	-25.0%	166.6%	-30.5%	774.3%	138.8%	228.6%
Korea	126.1%	146.7%	43.1%	19.3%	6.1%	156.9%	-60.4%	172.2%
Singapore	-19.3%	-38.9%	-13.0%	2274.0%	-1.0%	-19.4%	-64.4%	-10.0%
Netherlands	503.9%	5675.4%	-9.8%	1.5%	134.0%	-33.9%	39.9%	-11.2%
Cayman Islands	-42.6%	11.9%	2.2%	894.2%	38.0%	21.0%	-14.9%	-51.0%
Japan	48.4%	68.1%	-10.1%	51.5%	-57.9%	965.5%	-39.2%	109.5%
Switzerland	-	222.9%	-69.7%	550.3%	303.6%	-93.6%	1100.4%	-27.0%
Australia	0.2%	102.6%	32.8%	308.1%	192.3%	12.1%	-61.4%	-33.8%
Hong Kong	293.0%	44.1%	-59.5%	99.1%	107.7%	-34.6%	-31.5%	-28.7%
Malaysia	13.9%	134.5%	57.4%	610.2%	23.4%	-17.6%	-87.7%	68.4%
Germany	98.7%	64.7%	338.6%	-7.0%	4.8%	-34.1%	-81.3%	-50.4%
International Organization	-	-	-62.3%	214.3%	25.0%	594.3%	-41.8%	-4.4%
Other Asian Countries	14.1%	74.9%	-31.7%	207.9%	-55.7%	403.1%	-26.2%	-50.5%
All Other Countries	37.6%	128.9%	150.7%	33.6%	16.6%	-22.8%	-25.8%	-9.4%
TOTAL	32.8%	29.8%	33.6%	18.7%	22.6%	-8.9%	-29.3%	8.4%

Table 2d: Philippines' Investment in Securities Issued by Unrelated Non-Residents
By Country of Issuer of Securities
Percentage Points Contribution to Annual Change
As of Period Indicated

Country of Issuer of Securities	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
United States	21.6%	8.1%	18.4%	-10.2%	6.5%	-10.1%	-8.5%	14.0%
United Kingdom	5.6%	8.8%	2.2%	-0.8%	2.7%	3.9%	-2.1%	-6.6%
Indonesia	0.0%	0.0%	0.0%	0.1%	0.0%	0.6%	1.0%	5.8%
Korea	0.4%	0.8%	0.4%	0.2%	0.1%	1.4%	-1.6%	2.5%
Singapore	-0.6%	-0.7%	-0.1%	12.2%	-0.1%	-1.7%	-4.9%	-0.4%
Netherlands	0.1%	2.6%	-0.2%	0.0%	1.6%	-0.8%	0.7%	-0.4%
Cayman Islands	-0.5%	0.1%	0.0%	3.3%	1.2%	0.7%	-0.7%	-2.8%
Japan	0.1%	0.2%	0.0%	0.1%	-0.2%	1.1%	-0.5%	1.2%
Switzerland	0.3%	0.5%	-0.4%	0.7%	2.1%	-2.1%	1.8%	-0.7%
Australia	0.0%	0.4%	0.2%	1.7%	3.6%	0.5%	-3.4%	-1.0%
Hong Kong	3.4%	1.5%	-2.3%	1.2%	2.1%	-1.1%	-0.7%	-0.7%
Malaysia	0.1%	0.5%	0.4%	4.7%	1.1%	-0.8%	-3.7%	0.5%
Germany	0.7%	0.7%	4.7%	-0.3%	0.2%	-1.0%	-1.8%	-0.3%
International Organization	0.0%	0.5%	-0.3%	0.3%	0.1%	1.9%	-1.0%	-0.1%
Other Asian Countries	0.1%	0.6%	-0.3%	1.1%	-0.7%	1.9%	-0.7%	-1.4%
All Other Countries	1.5%	5.3%	10.9%	4.6%	2.5%	-3.3%	-3.2%	-1.2%
TOTAL	32.8%	29.8%	33.6%	18.7%	22.6%	-8.9%	-29.3%	8.4%