



DASHBOARD

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MACROECONOMIC SNAPSHOT

Deficit may have only hit P140-170B last year

The fiscal deficit is estimated to have totaled only P140- 170 billion last year, roughly half of the goal set by the government, a senior Budget department official yesterday said. "The preliminary figure as of December is that the 2011 deficit is about P140-170 billion, thereabouts," Budget Undersecretary Laura B. Pascua told reporters. This would put the shortfall well below the full-year target of P300 billion and even the forecast of P260.6 billion. It is also down from Budget Secretary Florencio B. Abad's outlook last month of P140-180 billion. "The underspending in the first three quarters pulled it down," Ms. Pascua said. A decline in government expenditures kept the deficit at just P96.254 billion as of November last year. Public spending was P1.346 trillion during the 11-month period, down from the P1.375 trillion recorded a year earlier. It was also equivalent to only four-fifths of the full-year program of P1.711 trillion. (BusinessWorld)

Government disburses 98.9% of 2011 budget

The Aquino administration has disbursed 98.9 percent or P1.626-trillion of its 2011 budget, Budget and Management Secretary Florencio Abad said yesterday. Abad said the amount has been released as of Dec. 31, 2011, as the administration raced against time to boost spending and make up for lackluster disbursements in the first half of last year. "We are pleased to announce that fund releases under the 2011 GAA have reached 98.9 percent by the end of the year. This is a clear year-on-year improvement over the 96.1-percent rate for the 2010 budget," he said. (The Philippine Star)

Bank lending in Philippines seen staying on growth path

The banking industry expects lending to again grow at double digits this year, on the back of a robust economy that will fuel demand for loans and other financial services. The Bankers Association of the Philippines said plans of the government to increase public spending, better prospects for the tourism industry, as well as the improving economy of the United States—the country's biggest export market—are some of the factors that will help accelerate growth of the Philippines this year. BAP said rising economic activity normally leads to a rise in demand for bank loans, which support not only consumption but also investments. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Market continues rally; index hits new record high

Local stocks continued their upswing for the second consecutive day yesterday, rallying to an all-time high as investors loaded up on equities amid the strong showing of most markets overseas and optimism on better economic figures. The main Philippine Stock Exchange index (PSEi) surged 84.78 points or 1.85 percent to close at 4,645.86 with more than 4.25 billion shares valued at P8.48 billion changing hands. Winners outpaced losers 127 to 49, while 37 issues closed unchanged. (The Philippine Star)

Peso firms up on Fitch news

The peso appreciated back to the P43:\$1 territory after international credit rater Fitch Ratings said it would not downgrade France's triple-A rating. The local currency strengthened by one-and-a-half centavos to close at P43.995 per dollar against its P44.01-per-dollar close last Tuesday. It has firmed up by a total of 12.5 centavos since Monday when it closed at P44.11 per dollar. (BusinessWorld)

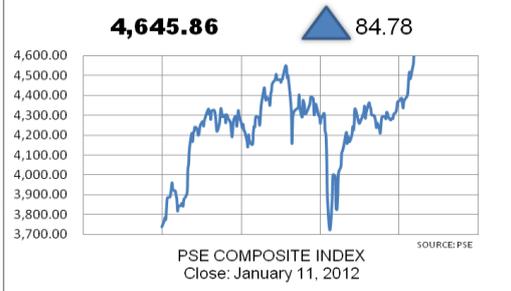
INDUSTRY BUZZ

Ford Philippines reports record sales

Ford Philippines ended 2011 with an all-time high finish as sales jumped 48 percent to hit 9,778 units over 6,603 units sold in 2010 with December posting the best-ever monthly performance, Randy Krieger, Ford Group Philippines said Wednesday. Driving Ford's sterling performance was its December sales that rose 24 percent from a year ago to 973 units, the company's best-ever monthly performance. Leading the charge was the All-New Ford Fiesta, which delivered December sales of 291 units and finished its first full-year of availability in 2011 with overall retail sales that reached 3,401 units - the best-ever performance of any Ford nameplate. (Manila Bulletin)

Honda not likely to move auto parts plant to Phi

Honda Cars Philippines Inc. (HCPI) is not inclined to transfer their auto parts plant in the Philippines given the small domestic market in the country. According to HCPI president Tatsuya Natsume, "car sales in the Philippines is not high enough to justify the investment." Natsume pointed out that while Thailand suffered recent massive flooding, Thailand's auto sales is expected to hit 860,000 units in 2011, while the Philippines recorded sales of only 141,616 units last year. (The Philippine Star)



	Wednesday, January 11 2012	Year ago
Overnight Lending, RP	6.50%	6.00%
Overnight Borrowing, RRP	4.50%	4.00%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.7195%	7.79%

