

## MACROECONOMIC SNAPSHOT

### OFW remittances up 10.6% to new monthly high in Nov

Remittances from Filipinos working abroad posted a double digit growth of 10.6 percent, hitting a new monthly record of \$1.783 billion in November, the Bangko Sentral ng Pilipinas (BSP) reported Monday. BSP Governor Amado M. Tetangco Jr. said remittances from overseas Filipino workers (OFWs) grew faster in November as more funds were sent home to their loved ones here in the Philippines in time for the Christmas season. "This monthly level of remittances is the highest on record thus far. The double-digit growth in remittance flows during the month could be attributed to additional funds sent by overseas Filipinos to their families for holiday spending," he said. (The Philippine Star)

### ME tension risk to inflation

Domestic inflation may become elevated due to oil supply related issues such as geopolitical tensions in Iran and other countries in the Middle East, but the average rate should remain within target, Bangko Sentral ng Pilipinas Governor Amado Tetangco said yesterday. "We are studying various scenarios to help us assess the possible impact of events in Iran and the rest of the Middle East on the inflation path over the policy horizon. Our stress scenarios point to the inflation path becoming elevated but still, on average, within the target, Tetangco said. (Manila bulletin)

### Economic team has conservative outlook for 2012

A review of this year's macroeconomic targets has been started by the Development Budget Coordination Committee's (DBCC) Executive Technical Board (ETB), a Finance official yesterday said. "Our outlook this year is conservative. This is mainly due to the weak global economy and also the sluggish domestic growth last year," Finance Assistant Secretary Ma. Teresa S. Habitan, an ETB member, yesterday said. Still, Ms. Habitan said that revisions were not in the pipeline. "Our projections will just let us understand what will take us away from our targets and how we can bridge that gap," she said. (BusinessWorld)

## FINANCIAL TRENDS

### PSEi surges as sentiment turns positive

Stocks rebounded and closed higher on Tuesday, with investor optimism restored by China's better-than-expected fourth-quarter growth data. The Philippine Stock Exchange index (PSEi) rose by 1.39% or 63.84 points to close at 4,642.76. The broader all-share index was similarly up by 0.78% or 24.45 points to 3,139.32. "Stocks jumped off the opening bell, posting gains of as much as 51.89 points before settling for a 41.65-point advance at recess. Optimism was the predominant mood, evidenced by a wide positive breadth," said analyst Justino B. Calaycay, Jr. of brokerage Accord Capital Equities Corp. in a market report yesterday. (BusinessWorld)

### Currencies sink in risky assets sell-off

The peso exchange rate closed higher at P43.62 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P43.88 the previous day. The weighted average rate appreciated to P43.686 from P43.919. Total volume amounted to \$974.17 million. (Manila Bulletin)

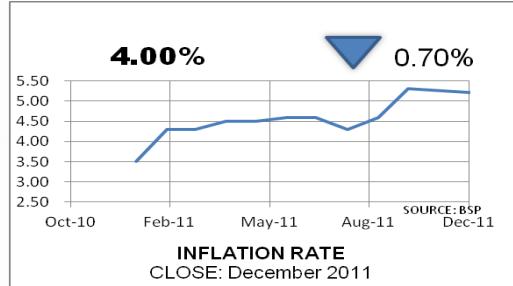
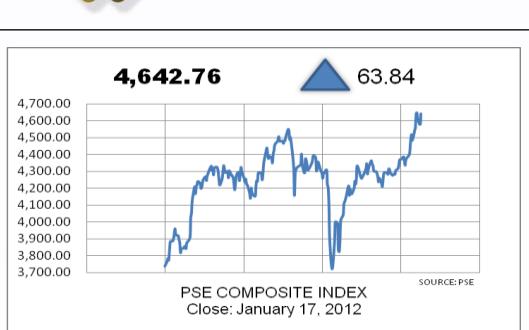
## INDUSTRY BUZZ

### Imported vehicle sales up 4% in '11

Sales of imported vehicles rose to 24,880 units last year, 4 percent higher than the 23,986 units sold in 2010, figures released by the Association of Vehicle Importers and Distributors showed. AVID President Maria Fe Perez-Agudo said the December sales of car importers also grew by 4 percent year on year to 1,868 units. "The increase in sales for 2011 was due to the wide acceptance of new and refreshed models, strong advertising, use of multimedia platforms, effective promotions and aggressive financing packages," Agudo said in her report. The report also showed that passenger cars were the most popular among all vehicle types, posting a 16-percent increase in sales for 2011. (BusinessMirror)

### Honda Thai plant restoration to cost \$650M

Honda Motor Co. will completely overhaul its flood-hit factory in Thailand in a project that could cost more than ¥50 billion (\$650 million), the Nikkei business daily reported on Sunday. Thailand's worst floods in half a century late last year hit Honda the hardest among Japanese automakers, with its 240,000-cars-a-year plant in the Ayutthaya Province in central Thailand submerged under water. Honda, Japan's no. 3 car producer, has already started replacing equipment with the aim of resuming output in April, the Nikkei said. Refurbishing the flood-hit factory will almost be the equivalent of building a plant from scratch, the Nikkei quoted an unnamed Honda executive as saying. (BusinessWorld)



	Tuesday, January 17 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%

