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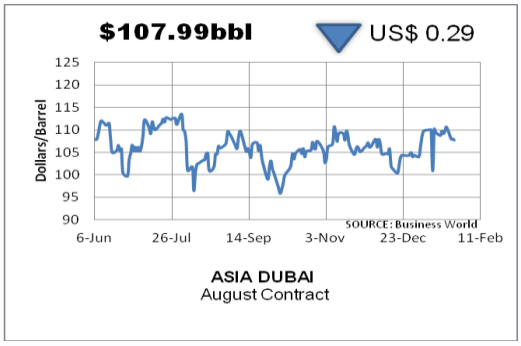
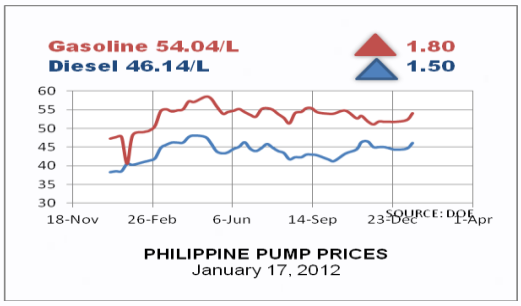
Changing News. Your Guide. AVID Daily E- News January 27, 2012 Volume 2 No 94

PSE COMPOSITE INDEX
Close: January 26, 2012

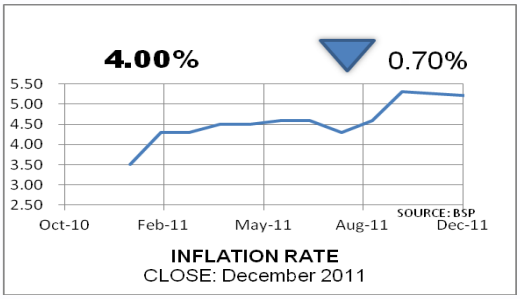
PESO-DOLLAR RATES
Close: January 25, 2012



ASIA DUBAI
August Contract



PHILIPPINE PUMP PRICES
January 17, 2012



INFLATION RATE
CLOSE: December 2011

	Thursday, January 26 2012	Year ago
Overnight Lending, RP	6.25%	6.50%
Overnight Borrowing, RRP	4.25%	4.50%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.7285%	7.79%

MACROECONOMIC SNAPSHOT

Philippine economy grew 3.6-4% in 2011—NEDA

The Philippine economy, as measured by the gross domestic product (GDP), was estimated to have grown between 3.6 and 4 percent in 2011, according to the National Economic and Development Authority (NEDA). In the fourth quarter alone, GDP grew faster than the third quarter's 3.2 percent, but the expansion did not reach 5 percent, NEDA assistant director general Ruperto P. Majuca told the Inquirer. Private economists, noting sluggish exports and typhoon damage to farm output in the fourth quarter, predict below-target performance for the Philippine economy when final GDP figures come out at the end of this month. "Almost definitely, exports contracted," Majuca said, citing challenges due to the debt crisis in Europe and the logistics disruption in Asia due to floods in Thailand. Agriculture might have also dropped "slightly," Majuca said, due to floods and typhoons. (Philippine Daily Inquirer)

Imports growth slumps to just 0.6%

Imports growth hit its slowest pace in two years last November due to a slump in inbound shipments of electronics and transport equipment, indicating that economic activity was sluggish as 2011 ended. Imports grew by just 0.6% to $4.985 billion in November, further slowing from 2.3% a month earlier, National Statistics Office (NSO) data showed. Month-on-month, imports fell by 0.7% from October's $5.019 billion. For the year, however, imports were still up by 11% at $55.506 billion. Imports also outpaced exports -- which went down by 5.6% to $44.635 billion in the same period -- leading to a trade deficit of $10.87 billion. The trade gap was wider than the $2.688 billion recorded a year earlier, NSO data showed. (BusinessWorld)

Manufacturing output continues decline; 5.2% drop in Nov.

The country's manufacturing output continues to decline, contracting by 5.2 percent in November 2011, according to the latest Monthly Integrated Survey of Selected Industries (Missi) released by the National Statistics Office (NSO) on Wednesday. This was the second time last year that the Volume of Production Index (VoPI) contracted. But the decline in October 2011 was lower than that of November with a contraction of 10.8 percent. "Out of 20 major sectors of manufacturing industry, 11 major sectors posted decreases in VoPI. The five major sectors that posted double-digit decreases were machinery except electrical [which posted a contraction of] 29.8 percent; wood and wood products, 28.8 percent; food manufacturing, 28.2 percent; basic metals, 13.3 percent; and textiles, 10.8 percent," the NSO said in a statement. (BusinessMirror)

FINANCIAL TRENDS

PhI stocks continue downward trend, index down 59 pts

Bucking the upward trend in most Asian markets, the Philippine Stock Exchange index (PSEi) declined for the third successive trading day yesterday, posting a 1.25-percent decline. The main PSE index dropped 58.81points or 1.25 percent to close at 4,611.68. More than six billion shares valued at P7.17 billion changed hands during Thursday's session. Decliners matched advancers at 84 shares each, while 45 issues closed unchanged. "I think the market went up so fast and broke so many records in such a short span of time that it wasn't sustainable," said Luz Lorenzo, head of research at ATR Kim Eng Securities Inc. (The Philippine Star)

Peso surges as US Fed vows to keep funds rate near zero

The peso surged to the P42-perdollar territory yesterday, buoyed by appetite for emerging market assets after the US Federal Reserve said it would keep its key rate at a record low until 2014 in order to hit its inflation target and to keep supporting the recovering US economy. The local currency appreciated by 28.5 centavos to finish at P42.845 per dollar — a three-month high — against its P43.13-per-dollar close last Wednesday. (BusinessWorld)

INDUSTRY BUZZ

Toyota raises sales target on expected Japan demand

Toyota Motor Corp. raised its 2012 global sales target as it expects Japanese government subsidies for new cars to drive a stronger recovery in its domestic market. But the new target still falls well short of the more than 9 million vehicles sold last year by the world's largest auto maker, General Motors Co., meaning Toyota is unlikely to easily win back the No. 1 spot anytime soon. Toyota expects to sell 100,000 more vehicles than it previously expected in its home market this year as a result of a government decision last month to reintroduce subsidies for fuel-efficient cars. That expected boost caused it to raise its global sales target by the same amount to 8.58 million vehicles, representing a 21% gain on the previous year. The company now expects to sell 1.63 million vehicles in Japan in 2012, a rise of 36% compared with last year, when its parts supply networks were strangled by the effects of the March 11 earthquake and tsunami in Japan and flooding in Thailand. (The Wall Street Journal)