



DASHBOARD

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AVID Daily E- News

January 30, 2012

Volume 2 No 95

MACROECONOMIC SNAPSHOT

2012 remittances seen growing 5%

BSP Governor Amando M. Tetangco Jr. said they are not revising the forecast for fund transfers this year and they still expect remittances to grow by five percent in 2012. In actual value remittances this year is projected to reach \$21.1 billion. The full year forecast for 2011, in the meantime, was \$20.1 billion. "We still think remittances will reach (a growth) of seven percent growth for 2011, that's our full-year target and we're not changing it," said Tetangco. For 2012, the BSP is maintaining its original growth assumption of five percent that the Monetary Board approved April of 2011. "We have no plans yet of revising the five percent (target)," the BSP chief said. The growth in remittances is supported by increased capture of money transfers with banks' expanded offering of financial products and services to overseas Filipinos as well as establishing tie-ups with foreign services providers. (Manila Bulletin)

Philippine exports expected to pick up this year

The country's exports are expected to recover from last year's slump as the US economy, one of the biggest markets for Philippine-made goods, begins to improve. According to BSP, the decision of the US Federal Reserve to maintain interest rates of the world's biggest economy at historic lows should translate to higher consumption and investment demand. As a result, US demand for imported goods, such as those from the Philippines, may also rise, the BSP said. (Philippine Daily Inquirer)

Moody's cities positive R.P. developments

Moody's Investors Service observed positive developments in the Philippines' creditworthiness, company assistant vice president Christian de Guzman said yesterday. The rating agency recognizes the nation's rising revenues, the successful bidding of the first public-private partnership project and its "proactive debt management," he said. Moody's stable outlook balances the positive developments against uncertainties posed by the global slowdown as well as "heightened political noise in recent months," he said. (Manila Bulletin)

FINANCIAL TRENDS

Profit-taking seen to continue

Local stocks are seen remaining prone to profit-taking this week on fresh global jitters created by the slower-than-expected fourth-quarter US economic growth. Last week, the main-share Philippine Stock Exchange index lost 1.4 percent to end at 4,679.89 on Friday. The markets are opening this week amid a backdrop of sluggish Wall Street trading on Friday (Dow was down 74 points or 0.58 percent), in turn partly triggered by news that the US economy had grown only 2.8 percent in the fourth quarter of 2011, which was slower than the market consensus of 3 percent. (Philippine Daily Inquirer)

More peso appreciation expected

The peso may further strengthen against the dollar this week after the US Federal Reserve last week said it would keep its monetary policy loose until 2014 to support the recovering US economy. Developments in the euro zone, however, will also dictate how the peso will perform against the greenback. The peso surged by 42.5 centavos to finish at P42.85 per dollar last week against its P43.275-per-dollar close the week before. Dealers said the peso is seen trading at P42.30 to P43.10 per dollar this week. (BusinessWorld)

INDUSTRY BUZZ

Philippine auto and parts manufacturers urge government to boost industry

Representatives of the domestic vehicle and parts manufacturing sector urge the government to work with them in creating a strategic expansion of the domestic market to achieve economies of scale and capture a significant share in the Association of Southeast Asian Nations (ASEAN) single market starting 2015. "Auto and parts manufacturing in the Philippines is both viable and sustainable. An ambitious but realistic strategy can take it to the next level," Feliciano Torres, chairman of the Philippine Automotive Competitiveness Council Inc. (PACCI), said. Besides generating new jobs and providing substantial export revenues to support public spending, these policies, according to Torres, can eliminate uncertainty associated with regional supply chain disruptions. (BusinessMirror)

Hyundai reports record \$7.2-B profit in 2011

Hyundai Motor Company's net profit jumped 35 percent to a record high last year after selling more than four million cars for the first time. The company's 2011 earnings reached 8.1 trillion won (\$7.2 billion), up from six trillion won a year earlier, the automaker said Thursday in a regulatory filing. Operating profit rose 36.4 percent to 8.07 trillion won. Company officials said in a telephone conference that sales increased in countries such as the United States and China as well as at home. For the first time, the company sold more than four million cars in a year, they said. (The Philippine Star)



	Friday, January 27 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%

