



DASHBOARD

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MACROECONOMIC SNAPSHOT

Foreign investors see 'hidden gems' in Phl

Bank of America-Merrill Lynch says investors are bullish on the Philippines because many stocks have little or no exposure to the weak economies of Europe and the US. The bank helped organize an ongoing three-day roadshow in Hong Kong for 30 Philippine companies to meet potential investors. "A lot of the underlying companies don't have as much of a correlation or connection with what's happening in Europe and the US," Clemente Antonio Puno IV, global corporate and investment banking director at Bank of America-Merrill Lynch (Singapore), said in an interview. Puno said investors find the country attractive because of economic fundamentals, strong banks, companies with low debt, and the prospect of a boom in infrastructure and mining. (The Philippine Star)

Fitch gives PHL banks 'stable' rating

Banks in the Philippines, China, Hong Kong, India and 10 other Asia-Pacific countries were seen to have a stable outlook by the global credit watcher Fitch Ratings. The judgment means the lenders are believed to have increased ability to absorb loan losses as the global economy slows. Additionally, the banks in the countries cited should not have trouble raising funds to finance their lending operations as their capacity to do so is considered strong. "Key elements to this rating outlook include the ability to absorb higher credit losses as economic activity slows, as well as the strength of funding structures," Fitch Ratings said. (BusinessMirror)

World Bank grants \$50M loan to PH

The Philippines is set to receive \$50 million worth of loan from the World Bank to fund various infrastructure initiatives throughout the country. The multilateral lender on Thursday inked the financing agreement with state-owned Development Bank of the Philippines, which would facilitate the disbursement of the loan to the Department of Finance and various local government units. In a statement, the World Bank said it hoped that the financial assistance, which will fund the Regional Infrastructure for Growth Project, would allow Filipinos to benefit from the country's economic gains. Development Bank of the Philippines said meanwhile that the poorest of the country's provinces would be the first to receive the loan disbursements. The money is going to be used to fund projects that are considered vital by local government officials. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Stocks seen to trade in tight range this week

Local stocks are expected to trade in a tight range this week as investors continue to their cues from global markets, particularly as debt restructuring talks in the eurozone drag on. The PSEi closed 1.68 percent higher at 4,758.57 last week as investors loaded up on big-capitalized issues. It hit a new record high of 4,822.08 on Thursday. (The Philippine Star)

P/\$ rate stands at P42.60/\$1

The peso exchange rate stands at R42.60 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at R42.731. (Manila Bulletin)

INDUSTRY BUZZ

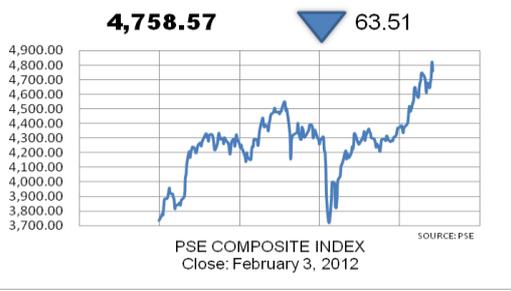
Motorcycle listings up in 2011; locals worried over cheap

China imports

New motorcycle registrations grew last year, hitting the one-million mark, even as sales of locally assembled two wheelers from a group of automakers fell due to cheap Chinese imports. "LTO registration of new motorcycles actually went up by 16% last year to around 1,050,000 units," Alfredo O. Lejano, Motorcycle Development Program Participants Association, Inc. president, told. The association, however, reported a 2.9% decline in sales to 731,130 units in 2011 following a strong 18.1% rise in 2010 to 753,111 motorbikes. Last year's sales slump, however, was not driven by supply chain disruptions from the Japanese earthquake and tsunami or the Thai flood, the official explained. "Motorcycles weren't that much affected compared to four wheeled vehicles. Our primary concern is intellectual property (IP) infringement because last year we saw the large entry of cheap motorcycles from China and some of them looked exactly the same as some of our models," Mr. Lejano said. (BusinessWorld)

Mitsubishi Motors returns to profit

Japan's Mitsubishi Motors said yesterday that cost cuts and a better product line-up enabled it to reverse a year-before loss and post a net profit in the nine months to December. Mitsubishi, the fourth-largest automaker in Japan, reported a ¥13.6 billion (\$179 million) net profit for the April- December term, turning around a loss of ¥2.2 billion in the same period in 2010. Operating profit tripled to ¥38.5 billion, said the maker of the i-MiEV, the world's first commercially produced electric car. "The increase was made possible mainly due to improvements in the model mix, together with other factors such as reductions in materials and other costs," the company said. (BusinessWorld)



	Friday, February 3 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	7.5804%	7.79%

