



# DASHBOARD

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AVID Daily E- News

February 9, 2012

Volume 3 No. 3

## MACROECONOMIC SNAPSHOT

### Inflation decelerates to 3.9% in January

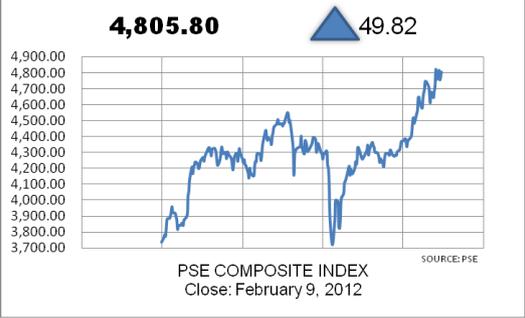
Inflation in the Philippines decelerated to its slowest on-year pace in 13 months in January, giving the central bank scope to support growth through monetary policy. The consumer price index, a key gauge of inflation, rose 3.9% in January from a year earlier, compared with 4.2% in December, due mainly to slower increases in beverage and tobacco prices, data released by the National Statistics Office Tuesday showed. That is the softest reading since December 2010, when inflation was 3.6%. "This supports our view that inflation remains manageable over the policy horizon, and affirms our view that we continue to have policy space, should the need to support growth persist," Bangko Sentral ng Pilipinas Governor Amando Tetangco said. (Manila Bulletin)

### Forex reserves hit record \$77.04 B in Jan

The country's foreign exchange reserves surged 21.3 percent in January due to strong inflows from the dollar bond issuance of the government as well as the revaluation of the gold holdings and robust earnings from overseas investments of the Bangko Sentral ng Pilipinas. BSP Governor Amando M. Tetangco Jr. announced yesterday that the country's gross international reserves reached a record high of \$77.043 billion in January or \$13.5 billion higher than the \$63.54 billion booked in the same month last year. (The Philippine Star)

### Economists rethink doom-and-gloom scenarios

Some economists have begun downplaying the darkest of the worst-case scenarios for Asia now that Europe appears to be muddling through its debt crisis without imploding and the United States finally shows signs of a self-sustaining recovery. That doesn't mean Asia's economic growth is about to take off. But it does suggest that growth will not suffer quite as dramatically as some forecasters had feared-and inflation may not abate quite as swiftly. Goldman Sachs said it no longer expects any more interest rate cuts this year in Malaysia, Indonesia, South Korea, Thailand or the Philippines, largely because of an improved economic outlook in the euro zone and the United States. J.P. Morgan raised its growth forecasts for southeast Asian economies last week and said it may do the same for Japan as manufacturing activity picks up. The bank said January economic data showed economic momentum picking up around the world. (BusinessWorld)



	Thursday, February 9 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	7.5876%	7.79%

## FINANCIAL TRENDS

### Foreign buying drives PSE index up 49.8 pts

Local share prices got a boost from foreign funds, lifting the main Philippine Stock Exchange index (PSEi) more than one percent from Tuesday's level, analysts said. The PSEi gained 49.82 points or 1.04 percent to close at 4,805.80. More than nine billion shares valued at P14.02 billion changed hands in yesterday's session. Gainers led losers 121 to 48 with 41 issues closing unchanged. (The Philippine Star)

### P/\$ rate closes at P42.22/\$1

The peso exchange rate closed higher at P42.22 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.41 the previous day. The weighted average rate appreciated to P42.28 from P42.54. Total volume amounted to \$1.331.47 billion. (Manila Bulletin)

## INDUSTRY BUZZ

### Truck sales expected to rebound

Truck sales are expected to swing back to growth this year with both private and public demand picking up by the second quarter. "We see growth in sales for 2012 with recovery in the second quarter, because infrastructure spending will pick up as the government promised," Mr. Vicente T. Mills, Jr., president of the Philippine Automotive Federation, Inc. and the ASEAN Automotive Federation said. "Higher consumer spending means there will be more consumer good deliveries across the country, translating to more fleet upgrades." The upbeat travel and tourism sectors are also expected to stimulate bus fleet upgrades, he added. (BusinessWorld)

### Toyota raises annual profit forecast, eyes recovery

Japan's No.1 automaker now expects operating profit - earnings from its core operations - for the year to end-March of 270 billion yen (\$3.5 billion), a drop of 42 percent from last year, and lagging a consensus forecast of 331 billion yen from 23 analysts surveyed by Thomson Reuters I/B/E/S. Toshiyuki Kanayama, senior market analyst at Monex Securities, said the revised profit guidance was a bit of a disappointment. "But the market is looking at the next financial year. The key for Toyota shares will be whether profit (next year) will rise to around 800 billion yen." (The Wall Street Journal)

