



DASHBOARD

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MACROECONOMIC SNAPSHOT

Gov't to focus on agri, tourism, infra - P-Noy

Amid accusations of underspending in 2011 that led to a measly 3.2-percent GDP growth, President Aquino assured Filipino-Chinese businessmen yesterday of improved spending this year that will focus on agriculture, tourism and infrastructure. At the same time, he called on members of the Chinese-Filipino Business Club Inc. that held its 7th Biennial National Convention at the Manila Hotel, to join in efforts to pump prime the economy and help the government create more jobs. "Agriculture, tourism, and infrastructure will be our focus this 2012," Aquino assured. The President said these three sectors are the "ones that can provide the most employment for those in the margins of society. They are also sectors that offer plenty of opportunities for businesses like yours to enter." (The Philippine Star)

Slower exports drop seen

Outbound merchandise shipments likely dropped anew last month but at a slower pace, the head of an exporters group yesterday said ahead of the release of data expected to cement an overall 2011 contraction. "The decline of [merchandise] exports will ease in December," Philippine Exporters Confederation Inc. President Sergio R. Ortiz-Luis told BusinessWorld, leading to a 5% full-year drop. His forecast is slightly better than -6.8% raised last month by the public-private Export Development Council (EDC). Exports plunged by an annual 19.4% to \$3.34 billion in November, the lowest since December 2009. The result pushed the year-to-date tally to \$44.64 billion, 5.6% down from the comparable 2010 period. The decline has been traced to weak demand for electronics -- the country's main export -- that saw shipments shrink by nearly 23% as of November, hit by renewed global economic troubles and supply chain disruptions. (BusinessWorld)

Loans grow 19.3% in 2011

The total outstanding loans of commercial banks went up by 19.3 percent at the end of 2011, higher than 2010 growth of 8.9 percent and reflecting a robust growth in the real sector. The BSP reported that bank loans amounted to P2.766-trillion net of banks' reverse repurchase (RRP) by end-December and including RRP, lending totaled P2.990 trillion. "In the midst of weaker global economic prospects, robust credit growth should provide adequate support to domestic production, investment, and spending," said the BSP in a statement. "(The) BSP will continue to assess conditions in the financial system to ensure that monetary policy settings remain consistent with the price stability objective as well as supportive of domestic economic growth." The end-December lending growth is however slower compared to November's 22.5 percent. Including RRP, lending decreased by 16.4 percent from end-November's 19.3 percent. (Manila Bulletin)

FINANCIAL TRENDS

Philippine stocks seen to weaken

Local stocks are seen to consolidate this week while investors reassess their portfolios given recent gains and lingering global uncertainties. Last week, the Philippine Stock Exchange index was up a modest 0.5 percent to finish at 4,783.52 on Friday as the momentum that allowed the barometer to post new highs started losing steam due to profit-taking by foreign investors. (Philippine Daily Inquirer)

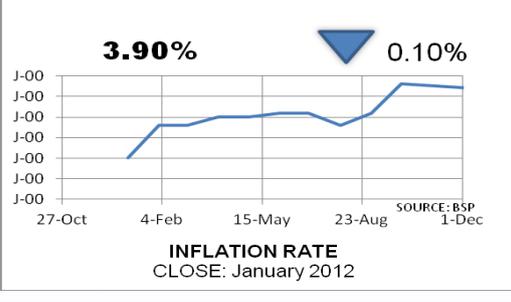
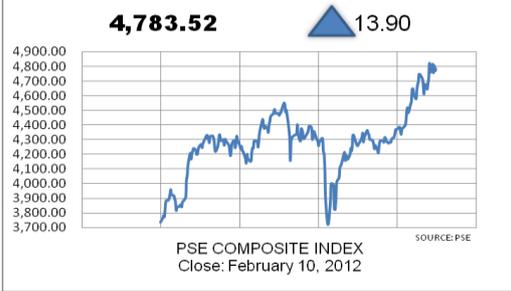
Peso expected to trade in tight range

The local currency snapped a six-day rally against the dollar on Friday, losing 30 centavos to finish at P42.48 per dollar against its P42.18 close the previous day. "The peso is expected to be range-bound against the dollar [this] week, with peso-dollar trading seen to be greatly influenced by developments from the euro zone," a trader said in a phone interview last Friday. (BusinessWorld)

INDUSTRY BUZZ

Formal auto sales down 3.1%

The overall formal automotive sector in 2011 sold a total of 165,056 units, 3.1 percent lower than the 170,348 units in 2010 pulled by the earthquake in Japan and the flooding in Thailand that disrupted global auto supply chain. A market penetration report representing combined sales from the Chamber of Automotive Manufacturers of the Philippines Inc. and the Association of Vehicle Importers and Distributors showed CAMPI contributed the bulk of 141,616 units while AVID pitched in 23,440 units. The AVID figure, however, in this report was 1,400 units lower than what it reported earlier. The report also showed that CAMPI sales accounted for 85.8 percent of the total formal vehicle market in 2011 and AVID's share, 14.2 percent. In terms of segment, the data showed the formal sector sold a total of 57,729 units of passenger cars or 3.2 percent lower than the 49,632 units sold in 2010. The bulk of the sales came from the commercial vehicle segment that includes light commercial vehicles (LCVs), which sold 104,637 units from 108,005 units in 2010; trucks with 2,310 units from 2,296 units; and buses with 380 units from 424 units in 2010. (Manila Bulletin)



| | Friday, February 10 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 | 7.6045% | 7.79% |

