



DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

February 22, 2012

Volume 3 No. 12

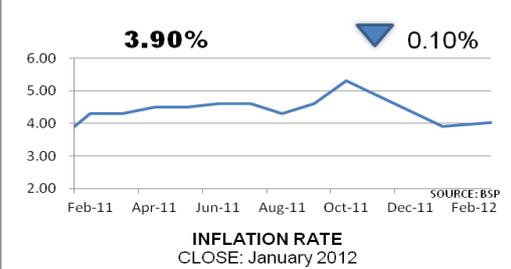
MACROECONOMIC SNAPSHOT

Country posts balance of payments surplus

The country last month had more financial resources to settle external obligations, the Bangko Sentral ng Pilipinas (BSP) said, reversing a deficit in the previous month. The Balance of Payments position showed a surplus of \$864 million from a deficit of \$114 million in December. The figure, however, was 46% below the \$1.606-billion surplus recorded year on year. "The surplus came from continued favorable current account transactions," Diwa C. Guinigundo, BSP deputy governor, said. A surplus in BoP — the summary of transactions between the country and the rest of the world — means having more resources to finance external obligations. "Capital flows also remained bullish on the Philippines. The national government bond float also contributed to BoP surplus position," Mr. Guinigundo said. (BusinessWorld)

Phl seen getting credit rating upgrade this yr

New York-based think-tank Global Source Partners believes that the Philippines would achieve another credit rating upgrade within the year on the back of the country's strong macroeconomic fundamentals as well as improving fiscal position. Global Source said in its latest quarterly report that positive developments including the rating outlook upgrade to positive from stable given by Standard & Poor's to the Philippines would pave the way for the rating upgrade. "We believe a change in credit ratings is likely within the year, though not yet to a lower medium grade rating," the think-tank said. S&P recently raised the credit rating outlook to positive from stable, paving the way for a possible upgrade of the rating that is currently two notches below investment grade within the next six months to 12 months. (The Philippine Star)



	Tuesday, February 21 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	7.7568%	7.79%

FINANCIAL TRENDS

Stocks down on profit-taking

The local stocks index on Tuesday pulled back from a new record high but stayed afloat the 4,900 mark while investors reassessed recent gains. The Philippine Stock Exchange shed 42.9 points, or 0.87 percent, to finish at 4,900.94 as investors pocketed gains from blue chips while some shifted to second-liner stocks. (Philippine Daily Inquirer)

Peso ignores good news on Greece bailout

After gaining four centavos on Monday and 22 centavos on Friday last week on anticipation of a debt deal for Greece, the local currency shed nine centavos to settle at P42.665 to the dollar against its P42.575 close the previous day. "The peso slid against the dollar yesterday despite the good news from Greece after investors took profit on their dollar positions," a trader in a phone interview said. (BusinessWorld)

INDUSTRY BUZZ

TMPC seeks BOI pioneer incentives

Toyota Motor Philippines Corp. is seeking pioneer incentives for its P1.4-billion investments in the assembly of the new Vios generation, a move that has kept the Board of Investments divided on whether the project deserves incentives or nothing at all. Documents obtained showed that TMPC is seeking to register on a pioneer status, meaning six years of income tax holiday, for the full model change of Vios, its best selling compact car in the country. During a management committee level meeting, BOI director Rudy B. Cana, who handles the automotive industry, admitted that the value added of the Toyota full model change is only 11 percent. But he also noted that the multiplier effect of the motor vehicle sector is one of the highest among industries. He said the CKD operation of Vios will generate 628 on the first year of operation and 667 on year 5. On the other hand, BOI executive director Raul V. Angeles pointed out that the change in vehicle model "could just be a corporate marketing strategy of the firm." (Manila Bulletin)

Vehicle sales fell 25% in January

Vehicle sales in January this year fell by 25 percent to 8,296 units from 11,046 units in the same month last year, as the flood crisis in Thailand continued to adversely affect local supply. A joint report of the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and Truck Manufacturers Association (TMA) also showed that compared to the sales of 10,374 units in December 2011, vehicle sales last month was lower by 20 percent. According to the report, the inventory of the industry fell short of the demand. The biggest decline was felt in the passenger car segment, with sales plunging by 44.6 percent to 2,214 units in January from the year-ago level of 3,997 units. But while CAMPI reported drop in its member-companies' sales, the Association of Vehicle Importers and Distributors Inc. (AVID) said sales of its members posted a 37-percent rise in January to 2,526 units from year-ago level. Growth, AVID said in a statement, was mainly driven by a 71-percent rise in passenger car sales and 6-percent increase in the light commercial vehicle segment. Month on month, sales of AVID brands in January surged by 35 percent, the group said. (Philippine Daily Inquirer)

