



DASHBOARD

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MACROECONOMIC SNAPSHOT

More firms to increase workforce this year

More companies intend to hire additional workers in the months ahead as a means to cope with an expected increase in demand for their goods and services amid a likely faster growth of the economy, the Bangko Sentral ng Pilipinas said. Citing results of one of its latest surveys, conducted between January 6 and February 14, the BSP said the employment outlook index, which indicates the intention of firms in the country to expand their workforce in the coming quarter, settled at a favorable +24 percent. This was better than the +16.8 percent registered in the survey three months ago and the +23 percent obtained from the survey conducted a year ago. Intentions to hire workers are seen to help reduce the country's unemployment rate, which stood at 6.4 percent in end-October last year. "Favorable employment prospects are anticipated across sectors, as companies gear up for the expected pickup in demand," the BSP said in the report. (Philippine Daily Inquirer)

BIR slaps excise, VAT on oil products entering ecozones

The Bureau of Internal Revenue (BIR) has issued a new revenue regulation that will slap excise and value-added tax on petroleum products entering the Philippines through the different economic zones. The new measure seeks to curb the problem of oil smuggling, which authorities have said are rampant in Freeport zones. These economic zones are areas that provide tax-free privileges and other incentives to locators to entice them to set-up shops in the Philippines. However, some oil smugglers have used the economic zones as route for their illegal activities by using the tax-free privileges in these areas. As such, the BIR issued Revenue Regulation 2-2012 which prescribes new rules on the tax treatment of petroleum and petroleum imported into the Philippines through Freeport and economic zones. (The Philippine Star)

Analysts expect BSP to announce interest rate cut

Analysts expect the Bangko Sentral ng Pilipinas (BSP) to slash interest rates anew at a policy review this Thursday. The BSP, for its part, said it would continue to monitor developments such as those in the euro zone and rising oil prices, which will be considered by its policy-making Monetary Board during the March 1 meeting. Eight out of nine analysts polled by BusinessWorld said a repeat of last Jan. 19's 25-basis point cut should be expected this week. The central bank's overnight borrowing and lending rates are currently at 4.25% and 6.25%, respectively. (BusinessWorld)

FINANCIAL TRENDS

Index drops as investors adopt wait-and-see stance

Local share prices fell in active trading yesterday, depressed by a lack of positive catalyst to buoy investor sentiment. The main PSE index fell 93.71 points or 1.91 percent to close at 4,799.29. More than six billion shares valued at P7.16 billion were traded in the morning and afternoon sessions. Losers led gainers 118 to 47, while 32 issues were unchanged. The PSEi settled at its 4,800 support level. (The Philippine Star)

Peso expected to weaken to P43 territory

The peso exchange rate stands at P42.84 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P42.715. (Manila Bulletin)

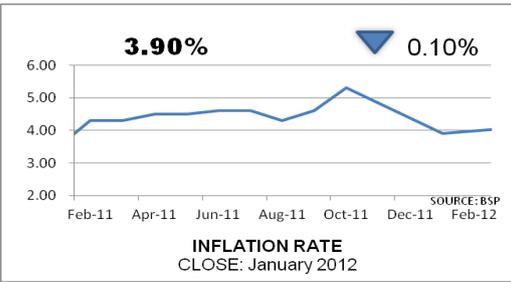
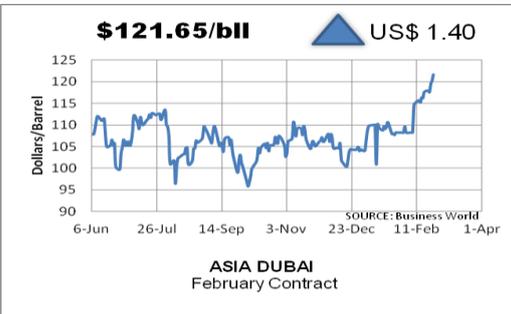
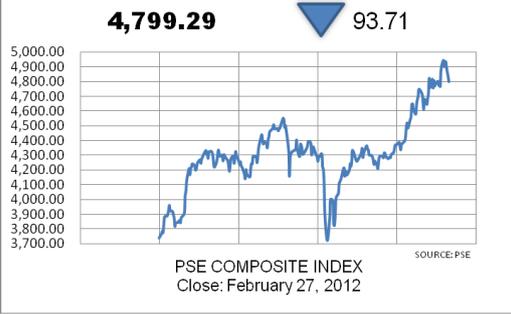
INDUSTRY BUZZ

Toyota eyes dominance in local MPV market

Toyota Motor Philippines Corp. (TMP) aims to dominate the multi-purpose vehicle market with its upgraded Innova model, which the company considers as an "integral" part in the growth of its commercial vehicle sales. At the launch of the new model in Boracay Island, TMP president Michinobu Sugata said that last year, the Innova was the company's second best-selling model next to the Vios sedan. "This model became a favourite for its versatility. The Innova has sold 70,000 units to date and has become the number one in the AUV (Asian Utility Vehicle) segment since it was introduced in the Philippines market seven years ago," Sugata said. "As we launch this new model, we hope to dominate the MPV (Multi-purpose Vehicle) category and establish Innova as the undisputed champion in the commercial vehicle segment," Sugata added. (The Philippine Star)

Ford plays catch-up in China with new plant, dealerships

Ford Motor is on track to double the number of dealerships in China by 2015, its country chief said on Friday, as it launches a half-billion-dollar plant and races to narrow the gap with foreign rivals in the world's largest auto market. Ford, which unveiled the new Focus at the opening of a plant in the south-western municipality of Chongqing, is adding an average of two outlets a week to bring the total to 680 by 2015, said David Schoch, chairman and CEO of Ford's China operations. (BusinessWorld)



| | Monday, February 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 | 7.7705% | 7.79% |

