AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

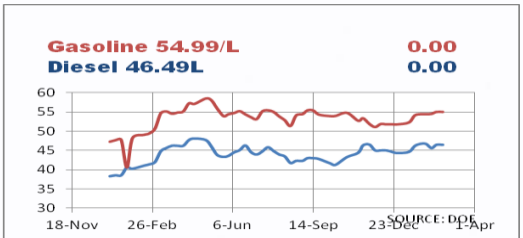
DASHBOARD

Changing News. Your Guide. AVID Daily E- News February 29, 2012 Volume 3 No. 17

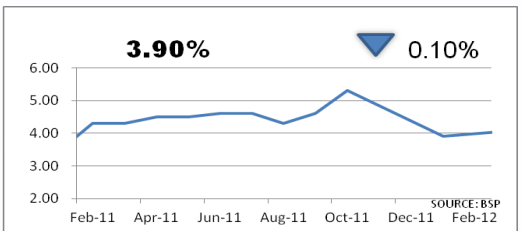
PSE COMPOSITE INDEX
Close: February 28, 2012

PESO-DOLLAR RATES
Close: February 28, 2012

ASIA DUBAI
February Contract



PHILIPPINE PUMP PRICES
February 21, 2012



INFLATION RATE
CLOSE: January 2012

	Tuesday, February 28 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	7.5254%	7.79%

MACROECONOMIC SNAPSHOT

Higher growth seen amid increased risks

The government remains confident it will achieve this year's 5-6% economic growth target, a Cabinet official yesterday said, even as it sees risks from rising oil prices and continued problems in the euro zone. "We are projecting a 5-6% at the moment still. We are ... [of the] view that we can still achieve that target in 2012," Socioeconomic Planning Secretary Cayetano W. Paderanga, Jr. said during a Senate economic affairs committee hearing. "The growth outlook should be better this year compared to last year," he added, pointing to 2011's lower-than-expected gross domestic product (GDP) uptick of 3.7%. Mr. Paderanga, however, noted that the impact of external developments could prompt changes to the target. "We are watching closely arising risks to growth — oil prices and the euro zone crisis — and their probable effects on the economy of the country," he said. (BusinessWorld)

Low inflation seen to boost competitiveness of exporters

The Bangko Sentral ng Pilipinas believes that keeping inflation stable would help boost the competitiveness of exporters who are currently suffering from weak global trade amid growth uncertainties in advanced economies. BSP Deputy Governor Diwa Guinigundo said in an interview with reporters that exporters would continue to benefit from the manageable inflation environment in the Philippines amid the global growth concerns and the debt crisis in Europe. "If we can maintain inflation at three percent to five percent that can translate easily and quickly into higher level of competitiveness," Guinigundo stressed. He explained that exporters who source their raw materials and benefit from the steady labor cost in the country would be more competitive in the world market. "In other words if they (exporters) source their raw materials from here including labor and when your inflation rate is very modest and labor does not demand higher wage adjustment, our exporters should be more competitive," he added. (The Philippine Star)

Banks trim bad debt exposure

Universal and commercial banks trimmed their exposure to bad debts to a record low since the Asian financial crisis, the Bangko Sentral ng Pilipinas has reported. Industry players said this development was brought about by the banks' adherence to proper lending standards, which helped them ensure collections of loan payments. The non-performing loans (NPL) ratio of universal and commercial banks dropped to 2.23 percent in December—the lowest since the financial crisis struck in the 1990s, pulling down Southeast Asian economies, the BSP said. The latest NPL ratio was lower than the 2.39 percent reported in September, and the 2.86 percent seen in December 2011. In real terms, bad debts amounted to P71.94 billion in December 2011, down by 10 percent from the P80.22 billion reported in the same period the previous year. The BSP explained that the amount of banks' soured loans during the period declined, while their total loan portfolio increased, resulting in a drop in their NPL ratio—or the proportion of bad debts to the total loan portfolio of banks. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Stocks edge up after three-session drop

Stocks closed mixed on Tuesday, with the main index gaining on a technical rebound as some investors decided to hunt again for bargains following three consecutive days of negative finishes. The Philippine Stock Exchange index (PSEi) rose 0.44% or 21.14 points to close at 4,820.43, bouncing back above the 4,800 resistance line. The broader all-share index, however, fell by 0.01% or 0.46 point to 3,259.10. (BusinessWorld)

P/$ rate closes at P42.83/$1

The peso exchange rate closed higher at P42.83 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P42.97 the previous day. The weighted average rate appreciated to P42.864 from P43.038. Total volume amounted to $941.40 million. (Manila Bulletin)

INDUSTRY BUZZ

Nissan assembler fits Wi-Fi to Urvan model

Universal Motor Corp. (UMC), the Philippine assembler and distributor of the Nissan Urvan, Navara, Murano and Patrol, announced it is making the internet even more accessible to people by literally taking it to the streets. "UMC has always taken pride in being the first to answer the needs of Filipino automobile owners., said UMC AVP for Marketing and Sales, Honeymae Limjap. "We were the first to introduce Diesel engines in the Philippines and now we are going to be one of the first in the country to introduce Wi-Fi connectivity for all our new passenger and commercial vans with our Biyaheng Blockbuster promo". According to Limjap, Urvans purchased during the period starting from February 8 to March 31 have been fitted with a built-in Wi-Fi router with two headrest monitors and a DVD player at no extra charge. "We believe that it's going to be positive influence in the daily lives of the Filipinos". (Manila Standard Today)