



DASHBOARD

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MACROECONOMIC SNAPSHOT

5% import growth forecast in 2012

The Development Budget Coordination Committee is predicting a 15-percent growth in the country's imports for 2012 despite significant downside risks. "The government will continue to assume this double-digit growth in merchandise imports in 2012, despite reports from industry analysts that it is likely that the electronics sector will have a more sluggish performance given a weaker-than-expected global demand," said Socioeconomic Planning Cayetano W. Paderanga Jr. Paderanga maintained this positive imports outlook in 2012, even if the global economy will be stalled this year, which may affect the country. (Manila Bulletin)

DBS sees BSP keeping rates due to rising oil prices

Singapore-based DBS sees the Bangko Sentral ng Pilipinas (BSP) keeping interest rates steady today due to rising oil prices but British banking giant HongKong and Shanghai Banking Corp. (HSBC) expects monetary authorities to cut policy rates by 25 basis points. In a report, DBS Group Research said the BSP would likely pause in its monetary easing today due to the possible impact of rising global oil prices on domestic inflation. "Rising oil prices may prompt a pause at the upcoming monetary policy meeting on Thursday before rate cuts are resumed in April," DBS stressed. The investment bank sees another 25 basis point reduction in key interest rates within the second quarter of the year before the rates are kept on hold for the rest of 2012. DBS sees inflation rate averaging four percent this year or well within the target of three percent to five percent set by the BSP. (The Philippine Star)

Purisma confident of ratings upgrade

Finance Secretary Cesar Purisma said the world's top three credit-rating agencies are still impressed with the performance of President Aquino, despite the underspending of the new administration. The rating firms Moody's Investors Service, Standard & Poor's and Fitch Ratings will visit the country starting this month to assess the country's economic health, he said. "In short, we are heading toward the right direction and I'm confident they [ratings firm] will give us further positive ratings," Purisma said. (BusinessMirror)

FINANCIAL TRENDS

Philippine stocks hit record high, breach 5,000 mark for 1st time

The local stock barometer breached the 5,000 mark for the first time in history in intraday trade Thursday, riding on upbeat investor sentiment in a low interest rate regime. The index, however, pared down gains at closing. Philippine Stock Exchange index finished 40.96 points, or 0.84-percent higher, at 4,938.61, pulling back from the day's peak of 5,011. Dealers said the 5,000-mark was breached in the morning as investors anticipated a further monetary easing by the BSP while global risk appetite was also boosted by a fresh liquidity release by the European Central Bank. (Philippine Daily Inquirer)

Higher crude prices, Euro problems drag peso

The peso slid against the dollar yesterday as market players remained risk averse on higher oil prices and as they priced in the central bank's expected rate cut in its key rates. After gaining eight centavos last Wednesday, the local currency shed six centavos to close at P42.81 per dollar against its P42.75-per-dollar close the previous day. "Market players remained risk averse on the back of higher oil prices," a trader said. (BusinessWorld)

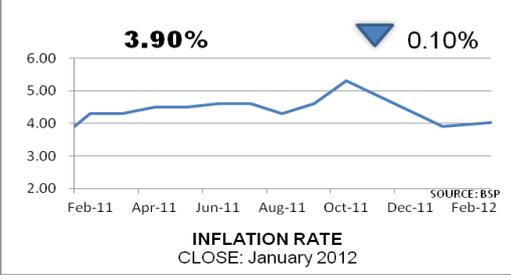
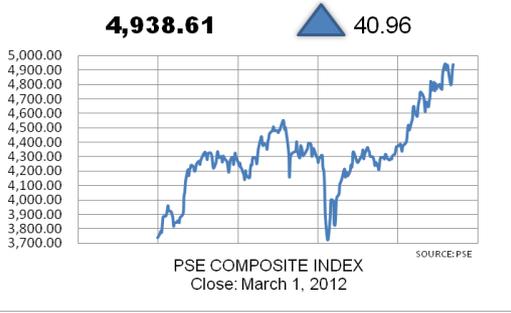
INDUSTRY BUZZ

Honda slips; Mazda, Chrysler gain in key quality report

Honda Motor Co. lost its top spot in an influential annual automotive report on quality, while Mazda and Chrysler showed the biggest gains. Honda, the winner the past four years in Consumer Reports' annual report card, slipped to fourth place among 13 major automakers at 72 points. Subaru earned the top score of 75 points for the first time in the influential consumer buying guide's 2012 report, followed by Mazda (74 points) and Toyota (73 points). "While Japanese automakers still hold the top five spots, their lead is shrinking," David Champion, senior director for the magazine's automotive test center, said in a statement. "In some of Honda's and Toyota's recently redesigned models, cost cutting has become noticeable." (BusinessWorld)

GM likely to spend \$500M on employee payments

General Motors is likely to spend more than \$500 million on employee bonuses and profit-sharing based on the company's performance last year. GM, which made a record profit in 2011, will pay bonuses of at least \$182 million to white-collar workers such as engineers, car designers and managers on Wednesday, according to a formula obtained by The Associated Press. That's on top of \$332.5 million in profit-sharing it already agreed to pay factory workers. (BusinessMirror)



	Thursday, March 1 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	7.7994%	7.79%

