



DASHBOARD

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MACROECONOMIC SNAPSHOT

ADB expects Philippine economy to grow by 5% in '12

The Asian Development Bank expects the Philippine economy to grow by five percent this year and by "six to seven percent over the medium term." ADB President Haruhiko Kuroda made the remarks Thursday shortly after he met with President Aquino. Kuroda also described the Philippines as having "a quite balanced economy." "It has a very strong services sector," the DB executive said, adding that the outsourcing, financial, distribution, and real estate sectors appear to be doing fine. "The Philippines' remittances ... continue to increase in a very robust way," he added. As a result, the ADB believes that Philippine growth will hinge on consumption and investments, Kuroda said. The Philippine economy grew 3.7 percent in 2011. The government expects economic growth to range from five to six percent this year. (Philippine Daily Inquirer)

BSP lowers rates to 4% for borrowing, 6% for lending

The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) cut policy rates by 25 basis points for the second time this year following what BSP considers a comfortable, and well-anchored inflation expectations. As a result, the BSP's benchmark overnight borrowing rate goes down to 4.0% from 4.25%, while the lending rate is now 6.0% from 6.25%. In a statement read by BSP Deputy Governor Diwa C. Guinigundo, the Monetary Board has noted that risks to inflation has remained "broadly balanced" with the "subdued pace" of global economic growth moderating inflationary spikes to prices but while inflation outlook looks stable and within the 3-5 percent long-term for this year and 2013, the upside risks such as oil price volatility and a surge in capital flows remains. (Manila Bulletin)

FINANCIAL TRENDS

Stocks seen to take breather

Local stocks may take a breather this week amid escalating tensions between Iran and Israel and rising oil prices. Last week, the PSEI skyrocketed to a new record high, closing at 5,016.30 and gaining up 123.3 points or 2.5 percent week on week bolstered by another cut in domestic interest rates. (The Philippine Star)

Peso traders to watch dev't on Greece debt

The peso is expected to trade within a similar range this week, with its movement against the dollar to be influenced by developments from the euro zone and oil prices. Currency traders interviewed by phone last Friday said the peso is seen to trade within the P42.50-43-per-dollar band this week, compared to last week's P42.59-43.11 range. The peso strengthened by 15.5 centavos to settle at P42.685 to the dollar last Friday against its P42.84- per-dollar close a week earlier. (BusinessWorld)

INDUSTRY BUZZ

Hyundai upgrades growth target

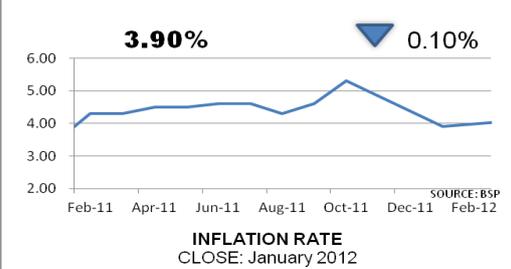
The local arm of Hyundai Motor Co. expects to post double-digit sales growth this year after performance in January reportedly exceeded expectations, an official said. "Last month, I said we might have flat growth, but after the 40% sales growth for January alone versus January 2011, we are now hoping we might achieve a modest growth of about 20% this year depending on supply," Maria Fe Perez-Agudo, Hyundai Asia Resources, Inc. president and chief executive officer, told BusinessWorld in a chance interview on Tuesday. (BusinessWorld)

Japanese company mulls plant here

Terra Motors Corp. of Japan has expressed keen interest to establish an electric motorcycle assembly plant in the country drawn by the strong local demand for motorcycles, which hit over 800,000 units last year. The Japanese firm also said they may invest in the assembly of electric cars later on. Officials of Terra Motors have already met with officials of the Board of Investments to relay their plans. There were no details though in terms of investments for the planned e-motorcycle facility, the plant location and timeframe for the supposed project. What the Japanese motorcycle said instead was that their e-motorcycles would be priced competitively with that of the traditional motorcycles. Terra Motors e-motorcycles would be sold at P50,000 per 50 c.c. motorcycle unit, which is competitive with the prices of traditional fuel engine combustion motorcycles. (Manila Bulletin)

Ferrari dealer plans to beat 'gray' market

Autostrada Motore, Inc. is eyeing a larger slice of the luxury car market with hopes that a new showroom in Bonifacio Global City will give it an edge against the "gray" market. The luxury car dealer last Thursday opened its showroom for two Italian automotive brands as it unveiled the latest Ferrari 458 Italia and Maserati Granturismo MC Stradale. The new dealership, together with a factory-certified service center, is promised to offer luxury car enthusiasts a secure alternative to the gray market where they could be unwittingly buying smuggled, stolen or secretly refurbished vehicles, an official said. (BusinessWorld)



	Friday, March 2 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%

