



DASHBOARD

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MACROECONOMIC SNAPSHOT

Analysts expect lower Feb. inflation

Inflation likely eased further in February, analysts polled by BusinessWorld said, as rising oil prices were tempered by benign food costs. The median estimate for the eight bankers and economists was 3.6%, at the high end of the 2.7-3.6% forecast announced by the Bangko Sentral ng Pilipinas' (BSP) last Tuesday. Inflation in January was 3.9%, the lowest in 13 months. February data will be released by the National Statistics Office today. Benjamin E. Diokno, an economist at the University of the Philippines, said he concurred with the central bank's inflation outlook. "Heavily-weighted food prices remained tame. Oil prices have soared but its impact on transport costs will remain manageable for as long the transport fares are kept unchanged by public authorities," Mr. Diokno said. (BusinessWorld)

Recent BSP policy rate cut deemed too small

The "superficial" 25-basis-point interest rate cut sanctioned by the Bangko Sentral ng Pilipinas last week may spoil the Philippines' chance of getting an immediate sovereign ratings upgrade and boosting growth this year, economists from Bank of the Philippine Islands said. The bank economists said that despite "numerous compelling reasons for a more aggressive monetary easing," the central bank had delivered only a "business-as-usual" rate cut that brought back the benchmark overnight borrowing rate to a record low of 4 percent. "We may be compelled to cut our 5 percent Philippine gross domestic product growth forecast for 2012, following the disappointing decision," said the research paper written by the BPI financial market group led by economist Emilio Neri Jr. and research officer Monzenn Mallari. (Philippine Daily Inquirer)

Greece: Recession hits January revenues

Greece's deep and prolonged recession took its toll on the central government's finances, which swung from surplus to deficit, official figures showed Friday. Provisional figures from the finance ministry figures showed Greece posting a deficit in January of €490 million (\$652 million), in contrast to last year's equivalent surplus of €154 million. The ministry's General Accounting Office said revenues during the month were hit by the expiry of a one-off business tax, as well as reduced revenues from consumption. Revenues in January totaled €4.87 billion (\$6.48 billion). Though a little bit better than the government's latest target, it's markedly worse than last year's equivalent of €5.12 billion. (BusinessMirror)

FINANCIAL TRENDS

Bourse resumes surge to end at fresh peak

Stocks ended trading on Monday at a new record high as it resumed momentum from the previous peak on Friday last week, driven by ample liquidity in the market. It was the 11th time this year that the bourse hit a fresh peak. The benchmark Philippine Stock Exchange index (PSEi) rose by 0.28% or 14.28 points to close at 5,030.58, while the broader allshare index similarly gained 0.31% or 10.26 points to 3,369.96. Last Friday, the PSEi also ended the week at record-high 5,016.30, 2.5% or 123.30 points higher, week on week, while the broader all-share index similarly advanced 1.5% or 48.25 points, week on week, to 3,359.70. (BusinessWorld)

P/\$ rate stands at P42.685/\$1

The peso exchange rate stands at P42.685 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P42.672. (Manila Bulletin)

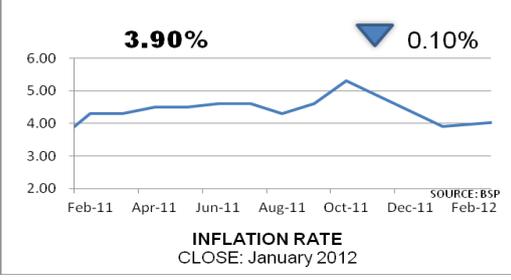
INDUSTRY BUZZ

Toyota says more resilient supply chain ready by autumn

Toyota Motor Corp. will have in place by autumn a more resilient supply chain that would recover within two weeks of another massive earthquake hitting Japan, a top executive said on Friday. Japanese automakers have been working to disaster-proof their sprawling supply chains ever since last year's March 11 earthquake and tsunami devastated the country's northeastern coast, forcing many to halt or reduce car production for more than six months. "We'll know by the end of March what contingency measures will be taken by all the supply sources and have those in place by around autumn," Executive Vice- President Shinichi Sasaki, who oversees purchasing at Toyota, told a small group of reporters. (BusinessWorld)

Nissan may revive retired Datsun brand

The Japanese car maker is considering reviving the brand for a line of low-cost cars that it could make and sell in emerging markets where its Nissan vehicles are too expensive for consumers shopping for their first brand-new car. A person familiar with the matter said. The No. 2 Japanese auto maker by sales volume is preparing to relaunch the brand by 2014 and sell up to 300,000 Datsun-badged vehicles a year, each priced around Y500,000 (\$6,173), the Nikkei reported. It said the vehicles would be made and sold in India, Indonesia and Russia. (The Wall Street Journal)



	Monday, March 5 2012	Year ago
Overnight Lending, RP	6.00%	6.50%
Overnight Borrowing, RRP	4.00%	4.50%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.7994%	7.79%

