



DASHBOARD

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MACROECONOMIC SNAPSHOT

Inflation eases to 29-month low of 2.7%

Inflation was below three percent for the first time in more than two years in February on lower food and utility prices, supporting a Bangko Sentral ng Pilipinas (BSP) move to trim borrowing costs last week and giving it room to keep rates at a record low to bolster demand. The consumer price index rose 2.7 percent in February from a year earlier, the National Statistics Office (NSO) reported. That was the slowest annual rate since September 2009 and at the low end of the central bank's forecast of 2.7 percent to 3.6 percent. For January, the statistics office revised the annual inflation rate to 3.9 percent from four percent. (The Philippine Star)

IMF forecasts modest growth for PH, prods gov't to boost program to curb poverty

The International Monetary Fund said the Philippine economy should grow modestly this year on domestic demand despite the risks to the broader global economy from Europe's sovereign debt crisis, but raised concern on the country's inability to translate economic growth into poverty reduction. The multilateral agency said the main challenge for the Philippines was to make the benefits of a growing economy felt across all income groups and not just concentrated on the middle-and high-income earners. In its annual review of the Philippine economy, the IMF forecast growth would rise to 4.2 percent this year, up from 3.7 percent in 2011. Growth over the next two years could recover to around 5 percent, while inflation was likely to remain within the 3 to 5 percent official target range, it said. But the IMF said measures must be implemented to make the benefits of economic growth trickle down to the poor. (Philippine Daily Inquirer)

BOI, PEZA trim investment targets

The Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA) are targeting over a trillion peso investments for the period 2012 to 2013, which is a lot lower than their combined investments in the past two years. A document showed that for this year, both agencies are aiming to hit P456.79 billion investments this year and P548.15 billion in 2013 or a two-year total of P1.004 trillion, lower than the P1.163 trillion approved in the past two years. The actual investment inflows or approved projects by these two premier investment-generating agencies in 2010 and 2011 amounted to P1.163 trillion. (Manila Bulletin)

FINANCIAL TRENDS

Phi stocks tumble on Wall Street's 203-point drop

Local share prices declined for the second successive trading day yesterday as market sentiment glided on Wall Street's 203-point drop overnight on concerns over a Greece default and slower global economy. The main Philippine Stock Exchange index lost 46.03 points or nearly one percent to close at 4,921.36. A total of 3.77 billion shares valued at P7.90 billion were traded. (The Philippine Star)

Peso recovers after touching P43 per dollar

The peso rebounded against the dollar yesterday on hopes Greece would complete a debt swap deal on Thursday, but not before opening and first lingering in P43-per-dollar territory. After losing four centavos last Tuesday, the peso appreciated by seven centavos to close at P42.87 to the dollar yesterday against its P42.94- per-dollar close the previous day. It opened weaker, however, at P43.08 and traded within the P42.87-P43.08 band. (BusinessWorld)

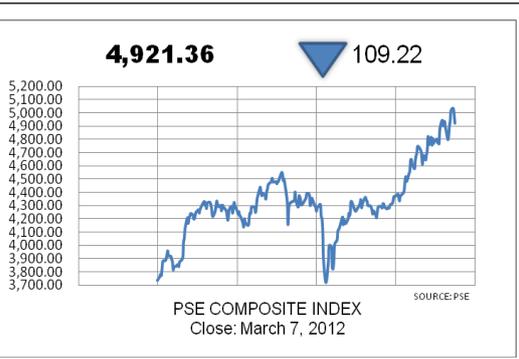
INDUSTRY BUZZ

Kia reveals all-new 'K9' flagship sedan for Korean market

Kia recently revealed the first official photographs of its all-new flagship sedan to be launched during the first half of this year in the Korean market. Referred to by its codename "KH" until now, the company also confirmed that the Korean market name will be "K9"—while the name for export markets, as well as overseas launch timings, will be revealed later this year. K9 is Kia's first rear-wheel drive sedan. It boasts Kia's "best of the best" design, driving performance and high-technology capabilities and is regarded as one of 2012's most eagerly anticipated all-new models in both Korean and overseas markets. (Philippine Daily Inquirer)

Car makers battle to escape Europe woes

The differing fortunes of car makers in Europe were on display at the Geneva Auto Show, with investment by Nissan and upbeat forecasts from BMW and Volkswagen, while Peugeot is selling its shares on the cheap to fund a tie-up with General Motors (GM). The European car industry seems to be reaching a tipping point, with a grinding price war underway in a withering market, combined with high overheads from excess manufacturing capacity. But the pain is not being shared out equally. Demand for luxury cars is holding up better than the mass market and some automakers are proving more successful than others in tapping stronger demand from north America and emerging markets. (BusinessWorld)



	Wednesday, March 7 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	7.7467%	7.79%

