



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Forex reserves hit record \$77.765 billion in February

The Bangko Sentral ng Pilipinas (BSP) reported Wednesday that the country's foreign exchange reserves jumped 21.7 percent to hit a new record high in February due to strong inflows from the dollar deposits by the National Government as well as the revaluation of central bank's gold holdings and robust earnings from overseas investments. BSP Governor Amando Tetangco Jr. announced that the country's gross international reserves reached a record level of \$77.765 billion in February or \$13.875 billion higher than the previous year's \$63.89 billion. Tetangco traced the increase to the foreign currency deposits by the government of the proceeds of a program loan obtained from multilateral lender Asian Development Bank. (Philippine Daily Inquirer)

### Consumer spending to drive economic growth

"The Philippine economy is expected to remain resilient despite all the headwinds from Europe and the US and oil supply due to tensions in the Middle East, with economic growth to be supported by domestic demand and the government's accelerated spending," Theresa Marcial-Javier, Bank of the Philippine Island (BPI) senior vice-president and Asset Management and Trust Group (BPI-AMTG) head, told reporters in a briefing. "Private consumption is seen to lead economic growth as it has always been the main driver and so we are seeing the country's GDP to grow within the 4.2% to 4.7%, that is on the assumption that the government may be able to continue fiscal accommodation to about 2.6% spending of GDP," she said. (BusinessWorld)

### Asian economies still vulnerable to global slump

The uncertain outlook in parts of Asia raises question about whether emerging markets can sustain the growth pace they have achieved since the 2008 global financial crisis. That is especially true in parts of Southeast Asia, where growth in Indonesia and the Philippines strongly correlates with what happened in China. Both countries were buffered from 2008's global crisis in part because China's economic engine kept humming-and kept needing raw materials-but they are vulnerable if China falls farther. "I think that by April we will see more interest rates cuts in Indonesia and Philippines if growth is still sluggish and inflation still looks relatively subdued," said Tim Condon, a regional economist with ING in Singapore. He noted that the recent rises in the value of the Philippine peso and Indonesian rupiah have also helped to contain inflation, giving policy makers a little more leeway. (The Wall Street Journal)

## FINANCIAL TRENDS

### US, euro zone hopes drive bourse rebound

Stocks on Thursday again recovered from two successive days of correction in the face of positive US economic signals and hopes Greece would complete its crucial debt swap deal. The Philippine Stock Exchange index (PSEi) rose 0.71% or 34.83 points to close at 4,956.19, while the broader all-share index was similarly up 0.67% or 22.43 points to 3,347.75. (BusinessWorld)

### P/\$ rate closes at P42.57/\$1

The peso exchange rate closed higher at P42.57 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P42.87 the previous day. The weighted average rate appreciated to P42.687 from P42.987. Total volume amounted to \$1.058.20 billion. (Manila Bulletin)

## INDUSTRY BUZZ

### E-vehicle backers call for incentives

The government must catch up with electric vehicle developments by lifting the tax burden on investments in the green transport sector, industry leaders said. Government policies and programs, said speakers at a conference organized by the Institute for Climate and Sustainable Cities (ICSC), are also key to spurring consumers and public transport operators to convert from fossil fuel-powered vehicles, which in turn will cut down carbon emissions. "The government is two steps behind in helping the electric vehicles sector ... What we need from the government is a serious partnership," said Yuri P. Sarmiento, E-Jeepney Transport Corp. CEO. He cited the lack of support in infrastructure, inadequate policies, manufacturing constraints, and low social acceptance as barriers to the growth of the alternative fuel vehicle (AFV) sector. (BusinessWorld)

### Auto loans picking up after slump

BPI Family Savings Bank, the thrift banking arm of Bank of the Philippine Islands, said that things are looking up for the auto loan segment this year after a slump last year. David Sarmiento, BPI Family senior vice-president and head of the auto and motorcycle loans division, said the auto loans level this year should replicate the 2010 level. "Things are looking up, our numbers are catching up to our 2010 figures," Sarmiento said. In 2010, the bank was able to release loans for 200,000 vehicles. Sarmiento said BPI Family's auto loan business dropped 20 percent in 2011 due to a lack of supply of vehicles. (Malaya Business Insight)

|                          | Thursday, March 8 2012 | Yearago |
|--------------------------|------------------------|---------|
| Overnight Lending, RP    | 6.00%                  | 6.50%   |
| Overnight Borrowing, RRP | 4.00%                  | 4.50%   |
| 91 day T Bill Rates      | 2.148%                 | 3.85%   |
| Lending Rates            | 7.7467%                | 7.79%   |