



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Phl can survive weak global demand - BSP

The Bangko Sentral ng Pilipinas has identified four countervailing forces that would help the Philippines survive the weak global demand amid the fragile economic growth in advanced economies led by the US as well as the sovereign debt crisis in Europe. BSP Governor Amando Tetangco Jr. said the country's strong external payments position, resilient banking system, demographic dividends, and manageable inflation would serve as countervailing forces to offset weak global demand. He pointed out that the favorable external sector dynamics would continue to be a source of strength for the Philippine economy. He said sustained foreign exchange inflows, including remittances of overseas Filipinos and earnings from the business process outsourcing sector have provided the BSP the opportunity to build up its international reserves. (The Philippine Star)

### NEDA pushes infra projects

As oil prices in the world market surge, the National Economic and Development Authority (NEDA) said the timely implementation of various infrastructure projects was key to keeping domestic inflation benign. In a statement, NEDA Director General Cayetano W. Paderanga Jr. said higher oil prices may impact on the Philippines but the effect on inflation can be cushioned by keeping other costs of production low. Factors such as good roads, bridges, and other infrastructure have a significant effect on the transportation of goods and services. Thus, the timely implementation of these projects is vital to keeping inflation within the 3-percent to 5-percent aim of the government this year. (BusinessMirror)

### Remittances, loans boost PH liquidity growth

The growth in domestic liquidity accelerated in January, making monetary officials optimistic that there will be enough resources to support higher consumption and investments, thus boosting the country's economic growth. Bangko Sentral ng Pilipinas said that the growth in cash and other liquid assets was due mainly to the increase in remittances sent home by Filipinos abroad and borrowings by private and government entities. The BSP said domestic liquidity, measured in terms of "M3," rose by 7.2 percent to P4.48 trillion in January from the same month last year, which is faster than the 6.3 percent year-on-year increase registered in December. "The steady growth in domestic liquidity indicates that resources in the financial system can amply fund the economy's growth requirements," the BSP said. The government expects the economy to grow by 5 to 6 percent this year. Economic managers hope domestic demand will further rise this year, given expectations that exports may still be weak. (Philippine Daily Inquirer)

## FINANCIAL TRENDS

### Stocks dip as traders mull Greece bailout

Stocks closed lower on Monday as traders paused to weigh further investment decisions following an initial resolution on Greece's debt crisis late last week. The Philippine Stock Exchange index (PSEi) dipped by 0.11% or 5.54 points to close at 4,975.17. The broader all-share index also fell by 0.01% or 0.48 point to 3,350.12. (BusinessWorld)

### Peso falls on news of China's trade deficit

The peso fell on the first trading day of the week as the latest report on China's rising trade deficit dampened outlook on the export performance of the entire Asian region. The local currency closed at 42.655 against the US dollar, down by 6.5 centavos from Friday's finish of 42.59:\$1. Intraday high hit 42.62:\$1, while intraday low settled at 42.76:\$1. Volume of trade amounted to \$810.1 million from \$834.02 million previously. (Philippine Daily Inquirer)

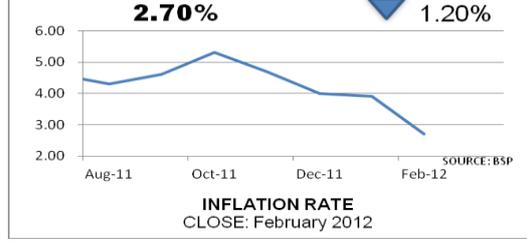
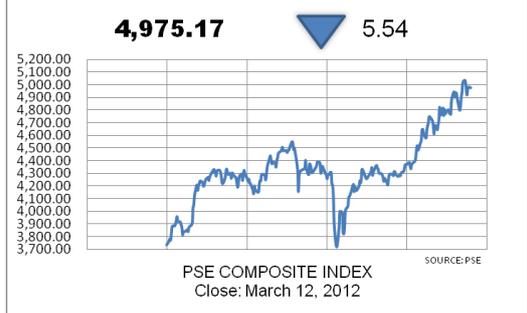
## INDUSTRY BUZZ

### Auto sales rebound in February

Total motor vehicle sales increased by 28.7% from last month due to supply recovery of major players but year to date sales decreased by 15.7% compared with the same period last year, the Chamber of Automotive Manufacturers of the Philippines Inc. said. CAMPI said that total industry sales in the first two months reached 18,977 units versus 22,518 units in the same period last year while sales in February hit 10,681 units versus 8,296 units in January this year. CAMPI said the strong rebound of Honda Cars Philippines Inc. translated to passenger cars' 39.3% increase from last month's 2,214 units. Compared to the same period last year, sales decreased by 32.5%. (Manila Bulletin)

### Suzuki eyes auto output

Japan's No. 4 automaker is looking for a capital partner in Myanmar to launch a new venture. Its previous joint venture in the country ended in 2010 following the expiration of its business licence from the government, the company spokesman added. Japan's foreign minister agreed in December to begin talks with Myanmar on forming an investment pact. Myanmar's new and nominally civilian government has begun implementing political reforms and re-engaging internationally after decades of military rule. (BusinessWorld)



	Monday, March 12 2012	Year ago
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	7.7775%	7.79%

