



DASHBOARD

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MACROECONOMIC SNAPSHOT

P2.006-trillion budget eyed

A 2013 budget of P2.006 trillion is being considered by the government, which expects economic growth to be robust in contrast to last year's below-expectations result. National Budget Memorandum 113, dated Jan. 31 and made available online only last week, detailed the macroeconomic assumptions, fiscal targets and department ceilings to be used in setting next year's expenditure plans. At P2.006 trillion, the proposed 2013 budget will be 10.4% or P190 billion more than this year's P1.816 trillion, which assumed a gross domestic product (GDP) growth of 5-6%. With the economy having expanded by just 3.7% -- below a 4.5-5.5% forecast -- last year due to state underspending, the government expects 2013 to mark a return to its 6-7% medium-term growth goal. (BusinessWorld)

NSCB: Total FDI pledges hit 15-year high at P256B in 2011

The Philippines's consolidated foreign direct investments (FDI) hit a 15-year high in 2011 with pledges reaching P256.1 billion, according to the National Statistical Coordination Board (NSCB). The total FDI last year exceeded the P241.1 billion recorded in 1996. The pledges were also the highest recorded since the NSCB started compiling FDI data in 1996, the results of which were released in 1997. The 2011 FDI pledges were also higher than the applications approved in 2010. In the fourth quarter of 2011, total FDIs reached P165.8 billion, 42.2 percent higher than the P116.6 billion posted in the same period in 2010. The NSCB also said the FDI last year are expected to create a total of 140,701 jobs, representing a 48.5-percent increase from 2010's projected employment of 94,728 Filipinos. (BusinessMirror)

Moody's sees Phl keeping fiscal gains this year

New York-based Moody's Investors Service cited the gains made by the Philippines on the fiscal front and its debt reduction program last year are expected to be sustained this year amid improved revenue collections. In its weekly credit outlook entitled "Philippine Fiscal Results Point to Continued Debt Reduction," Moody's assistant vice president and analyst for Sovereign Risk Group Christian de Guzman said the country's budget shortfall last year confirmed a lower-than-budgeted deficit despite a spike in spending during the last two months of 2011. Latest data from the Department of Finance (DOF) showed that the country managed to trim the budget deficit by 37.11 percent to P197.754 billion or two percent of gross domestic product (GDP) last year from P314.458 billion or 3.5 percent of GDP in 2010. (The Philippine Star)

FINANCIAL TRENDS

Index returns to 5,000-level ahead of US Fed meet

Local shares climbed back to the 5,000-mark yesterday, powered by gains in financial stocks, as investors looked ahead to a policy meeting of the US Federal Reserve. Shaking off a mixed day on Wall St and slowing growth in China, the Philippine Stock Exchange index (PSEi) recovered from Monday's loss to add up 30.58 points (0.61 percent) to 5,005.75. The broader All Shares index likewise advanced to 3,366.05 or 15.93 points (0.48 percent) higher as all sub-sectors except property were in the green. A total 5.94 billion shares valued at P8.45 billion were traded. There were 91 gainers as against 77 losers and 39 unchanged stocks. (The Philippine Star)

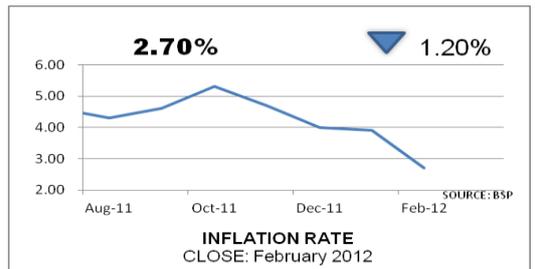
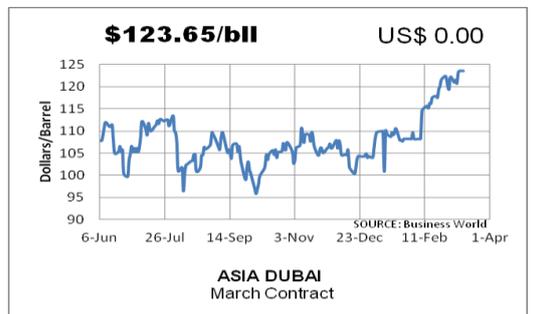
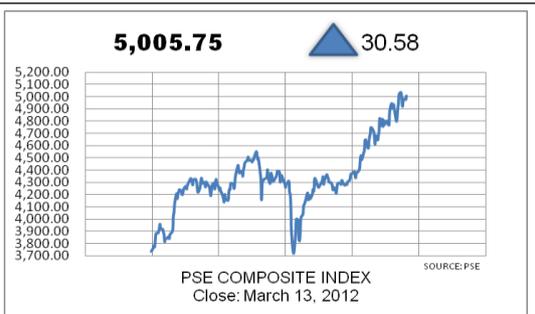
Peso falls on news of China's trade deficit

The peso slid against the dollar for the third straight trading session yesterday as market players bought the US currency ahead of the Federal Open Market Committee's (FOMC) meeting due to uncertainties on the Fed's next move. After losing six-and-a-half centavos on Monday, the local currency shed half-a-centavo to settle at P42.66 per dollar yesterday against its P42.655- per-dollar close the previous day. (BusinessWorld)

INDUSTRY BUZZ

Global auto output seen to rise 3% as Asia leads

Global auto industry group forecast last week that world vehicle production will rise by 3 percent this year, in line with 2011, although carmakers warned that European demand would likely remain weak. Last year, global vehicle production reached a record 80.1 million units, the International Organization of Motor Vehicle Manufacturers said at the Geneva Motor Show. "After a dramatic fall in 2009 to 61.8 million units because of to the crisis in 2008, world car production has regained its growth rate," said the president of the trade body, Patrick Blain. Production in Europe was expected to fall in 2012, but Chinese output would rise by 8 percent, production in India by 14 percent and output in Japan would also rise. Last year, vehicle production in Europe grew to a total of 17.7 million units but this was still less than the volume in 2008 when the financial crisis hit, Blain said. Production in China, the biggest car market, slowed to 18.4 million units after a spurt in 2009 and 2010. North American production totaled 13.5 million vehicles. Japanese production also fell, owing mainly to the effects of a massive earthquake and tsunami. (The Manila Times)



	Tuesday, March 13 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%

