



DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

March 27, 2012

Volume 3 No. 35

MACROECONOMIC SNAPSHOT

Inflation seen to settle at 2.2%-3.1% in March

The rate of increase in consumer prices is estimated to have settled between 2.2 and 3.1 percent in March. This will bring the average inflation in the first quarter to a range of 2.9 to 3.2 percent, according to the Banko Sentral ng Pilipinas. Inflation in February hit 2.7 percent while the rate in March last year was 4.3 percent. The BSP said inflation would likely remain benign and stay well within the official projection of 3 to 5 percent for the full year. BSP Governor Amando Tetangco Jr. said inflation in March would depend on how the slowdown in the prices of vegetables and reduced utility rates would affect overall consumer prices, given the impact of higher oil prices and a weakening peso. (Philippine Daily Inquirer)

February deficit higher than January

The national budget deficit in February likely exceeded the P15.94 billion deficit registered in the first month of the year as government accelerates spending, the Department of Budget and Management (DBM) said. Budget and Management Secretary Florencio B. Abad hinted of a higher budget deficit in February as government expenditure for the said month was expected to have reached over P142.29 billion. The higher expenditure early in the year was in keeping with President Aquino's pronouncement to boost the economy through increased public spending. "We expect the February deficit to be substantially bigger than P16 billion because of higher spending," Abad said at the Economic Journalists Association of the Philippines - San Miguel Corporation Business Journalism Seminar over the weekend. (Manila Bulletin)

Philippine economy performing well - WTO

Universal and commercial banks operating in the Philippines posted a double-digit growth of 15.3 percent in earnings last year amid the sovereign debt crisis in Europe and the economic growth concerns in advanced economies led by the US. Data released by BSP showed that the net income of universal and commercial banks amounted to P96.16 billion last year or P12.8 billion higher than last year's P83.36 billion. The BSP said interest income of universal and commercial banks went up by 4.3 percent to P288.13 billion last year from P276.19 billion in 2010 while the industry's interest expense inched up by 1.9 percent to P93.92 billion from P92.14 billion. (Philippine Star)

FINANCIAL TRENDS

Market in 'flat' trading amid lack of leads

Stocks closed just slightly lower on Monday — though still above the 5000 mark — as investors stayed on the sidelines amid lack of significant leads to influence trading. The Philippine Stock Exchange index (PSEi) slipped 0.25% or 12.81 points to close at 5,029.63, despite advancing in the morning's trades, while the broader all-share index closed 0.28% or 9.61 points lower to 3,401.71. (BusinessWorld)

Peso dips over reports of declining home sales in US

The peso weakened on Monday as the report of a decline in home sales in the United States dampened sentiment on growth prospects for the global economy. The local currency closed at 43.06 against the US dollar, down by 10.5 centavos from Friday's finish of 42.955:\$1. Intraday high hit 42.88:\$1, while intraday low settled at 43.075:\$1. Volume of trade amounted to \$949.5 million from \$932.76 million previously. (Philippine Daily Inquirer)

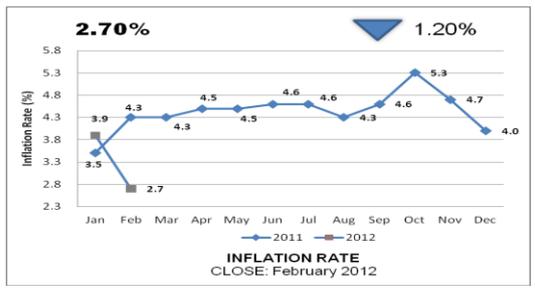
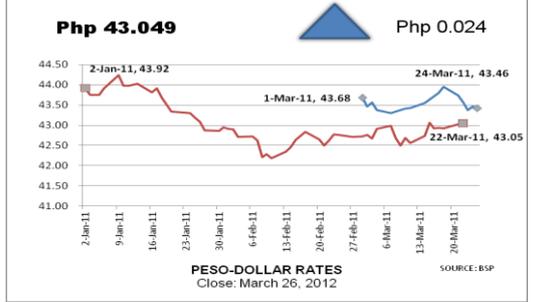
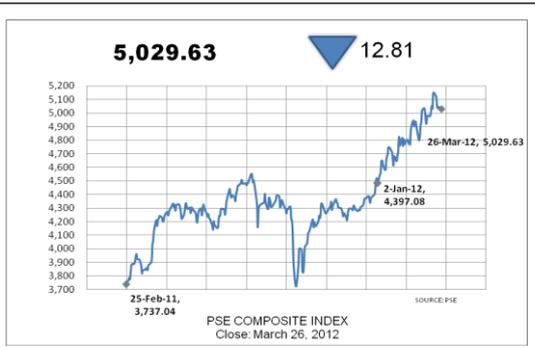
INDUSTRY BUZZ

Auto parts makers eye partnerships with Taiwan firms

A delegation of Philippine automotive and motorcycle parts companies will join the Outbound Business Mission (OBM) and the Taipei International Auto Parts and Accessories (AMPA) 2012 Trade Show from April 11-14 to explore possible partnerships in Taiwan, the Department of Trade and Industry (DTI) announced over the weekend. The trade show is organized by the Bureau of Export Trade Promotion (BETP), DTI's export marketing arm, the Motor Vehicle Parts Manufacturers Association of the Philippines (MVPMPAP), the Philippine Trade and Investment Office - Taipei, (PTIC-Taipei) and the Manila Economic and Cultural Office (MECO) -Taipei. DTI said the expo will be a venue to explore strategic partnerships with auto parts importers, equipment suppliers and potential investors. A series of business meetings are also being arranged for the delegation. (The Philippine Star)

Toyota won't offer low-end cars to boost sales

Toyota Motor has no intention of offering ultra-cheap cars to boost sales in emerging markets and will keep its focus on customers who expect a certain level of reliability, the company's president, Akio Toyoda, said on Thursday. Toyota's comments come days after rival Nissan Motor announced the revival of the Datsun brand to target buyers in the lowest and sizeable end of developing markets, while a German magazine reported Volkswagen was also planning a similar move. "We are a full-line car maker," Toyoda told. (BusinessWorld)



	Monday, March 26 2012	Last Week	Year ago
Overnight Lending, RP	6.00%	6.00%	6.50%
Overnight Borrowing, RRP	4.00%	4.00%	4.50%
91 day T Bill Rates	2.15%	2.15%	3.85%
Lending Rates	7.84%	7.79%	7.79%

