



DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

April 10, 2012

Volume 3 No. 40

MACROECONOMIC SNAPSHOT

Increased Japanese investments seen

Manabat Sanagustin & Co. (MS&Co.) believes the Philippines can expect a strong flow of Japanese investments this year as the country continues to emerge as an ideal investment hub and a potential relocation site of Japanese companies. According to Endo Yoshiaki, principal of Japanese Practice at MS&Co., more Japanese firms realize the advantages that the country has over its neighbors and that the country can help mitigate the risks of concentrating operations in China and Thailand. Endo points out the Philippine's strategic location, high literacy rate, stability of cost of labor, abundance of manpower and the hardworking nature of the Filipino workers as among the qualities that attract Japanese entrepreneurs to invest in the country. Endo said that the country can expect a significant increase in Japanese investments over the coming years as a number of Japanese blue-chip companies have expressed their desire to set up their factories here. (The Philippine Star)

March inflation drops to 2.6%

Inflation in the Philippines eased to its lowest level in more than two years in March, supporting the central bank's view that its record high policy rates are keeping price rises under control. But analysts said Bangko Sentral ng Pilipinas is likely to keep its rates unchanged this year despite the latest inflation data because of uncertainties in the global market and the likelihood of further increases in the price of oil. Headline inflation in March was at 2.6%, down from 2.7% in February due mainly to slower price increases for alcoholic beverages and tobacco as well as clothing and footwear, while rises in housing and utility costs also eased, data released Wednesday by the National Statistics Office showed. (Manila Bulletin)

GIR hit \$76.54B in March

The country's gross international reserves hit \$76.54 billion last March, up by 16 percent from the \$65.98 billion registered in the same period last year, the Bangko Sentral ng Pilipinas reported. But the figure in March marked a decline from the record \$77.01 billion posted in February 2012. The central bank said that the month-on-month drop came about after the government decided to pay off some of its maturing obligations denominated in foreign currencies. But the reserves "continued to provide the economy with a comfortable buffer with which to withstand possible external shocks," BSP Governor Amando Tetangco Jr. said in a statement. The BSP said the latest amount of GIR would be enough to cover 11.5 months worth of the country's usual imports, and 6.5 times the country's foreign debt maturing within the short term. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Index slips in thin trading ahead of 5-day break

Local share prices slipped in thin trading yesterday, the last day of trading before the market goes on a five-day weekend, despite most issues closing higher. The PSEi declined by 17.56 points or 0.35 percent to close at 5,038.92. A total of 1.39 billion shares valued at P3.70 billion changed hands during the morning and afternoon sessions. (The Philippine Star)

P/\$ rate stands at P42.80/\$1

The peso exchange rate stands at P42.80 to the US dollar, the closing rate on Wednesday at the Philippine Dealing & Exchange corp. (PDEX). The weighted average rate stands at P42.821. (Manila Bulletin)

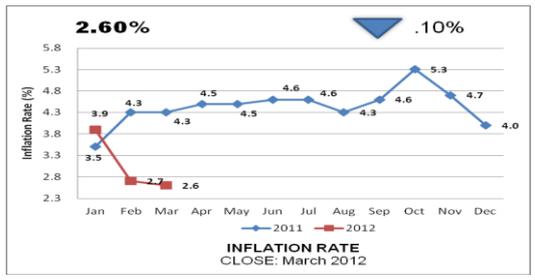
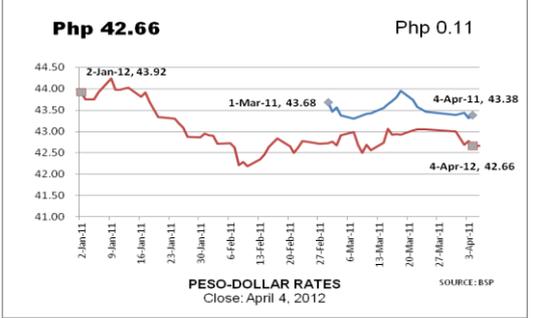
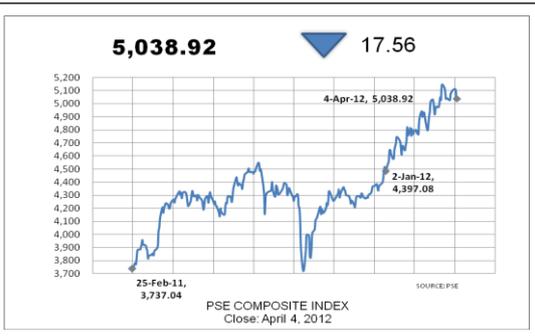
INDUSTRY BUZZ

US Auto sales surged in March

The recovery in the US auto industry has moved into the fast lane. With gas prices near \$4 a gallon (\$1.05 a liter), smaller cars like the Ford Focus, Nissan Versa and Fiat 500 flew off dealer lots in March and gave the US auto industry its best monthly sales in almost five years. In a further measure of American's growing confidence in the economic recovery, larger vehicles sold well, too. Small businesses, farmers and other snapped up pickups in March, with big promotions offering an extra incentive to buy. Sales of Ford's F-Series pickup-the bestselling vehicle in the US-were up 9 percent. While sales of Chrysler's Ram brand rose 18 percent. Small SUVs like the Jeep Grand Cherokee saw big gains too. (Philippine Daily Inquirer)

Volvo to spend \$11 billion over coming years

Swedish carmaker Volvo plans to spend \$11 billion on developing new products and boosting its manufacturing footprint in the next few years, a company spokesman said on Thursday. Earlier in the day, German magazine Wirtschaftswoche said Geely would invest the money, but spokesman Per-Ake Froberg said that funding would come from Volvo itself and include financing from cash flow and borrowing. In a Reuters interview in February last year, Volvo CEO Stefan Jacoby said a five-year \$10-11 billion investment plan would mean new products and factories in China to meet the goal of doubling sales to 800,000 units in 10 years. It wants 20 percent of China's premium auto market by 2015. (BusinessWorld)



	Tuesday, April 3 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	7.91%	7.84%	7.79%

