



DASHBOARD

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MACROECONOMIC SNAPSHOT

Business confidence slips back

Filipino business confidence has slipped back 6 index points to 136 since September, according to the global Regus Business Confidence Index. Companies reporting revenue growth decreased, reaching 56 percent compared to 63 percent six months ago. Companies reporting profit growth (50 percent) also fell 7 percentage points. Mindful of the need to contain costs in the quest for sustainable growth, businesses identified a shorter supply chain, increasing use of flexible workspace and greater use of cloud IT applications as the most effective cost-cutting measures for the coming months. Looking back, Filipino firms identified making permanent staff redundant (50 percent) as the main reason for corporate distress during the downturn, followed by paying for unnecessary office space (46 percent). (Philippine Daily Inquirer)

Phl needs sustainable revenue stream - S&P

Global credit rating agency Standard & Poor's said the "sin tax" or any other revenue measure need to be able to boost the country's "low tax to GDP ratio" in a sustainable way for the Philippines to get that much desired credit rating upgrade. In an e-mail response to The STAR, S&P said it would rate the country's sin tax measure or any other revenue measure based on fiscal sustainability. S&P also said the passage of the sin tax measure itself is not necessarily a condition for a credit rating upgrade for the Philippines. Instead, Agost Benard, associate director of sovereign and international public finance ratings, said that the revenue measures need to result in an overall improvement in the country's tax to gross domestic product (GDP) ratio. (The Philippine Star)

Rise in domestic demand to fuel GDP growth

Domestic demand is seen to push the growth of gross domestic product in 2012 as progress in public-private partnership (PPP) projects is expected to show impact on investments by the second semester. In a research note, the DBS Group said domestic demand would get a boost from higher government spending, resilient private consumption and the expected increase in investments as contracts for big-ticket PPP projects get auctioned off. "Coupled with an accommodative monetary policy, domestic demand is projected to contribute 5.5 percentage points to headline growth this year," the Singapore-based group said. These, along with other positive contributors to growth and counterbalanced by negative contributors, would result in a GDP expansion of 4.2 percent in 2012, as projected by DBS earlier this year. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Thin volume, US jobs data pull down PSEi

Stocks slid yesterday, dashing expectations of a post-holiday rebound, as trading remained sluggish while sentiment soured over a poor US jobs report. The Philippine Stock Exchange index (PSEi) shed 0.33% or 16.63 points to close at 5,022.29 yesterday. The broader all-share index lost 0.38% or 12.87 points to 3,416.56. (BusinessWorld)

P/\$ Rate Closes At P42.84/\$1

The peso exchange rate closed lower at P42.84 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.80 last Wednesday. The weighted average rate appreciated to P42.798 from P42.821. Total volume amounted to \$1.045.57 billion. (Manila Bulletin)

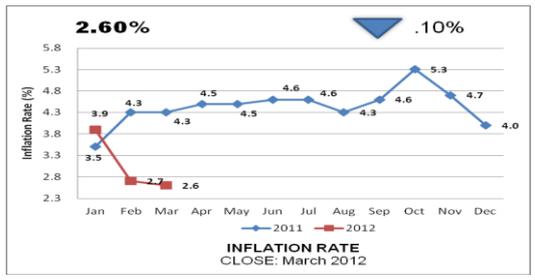
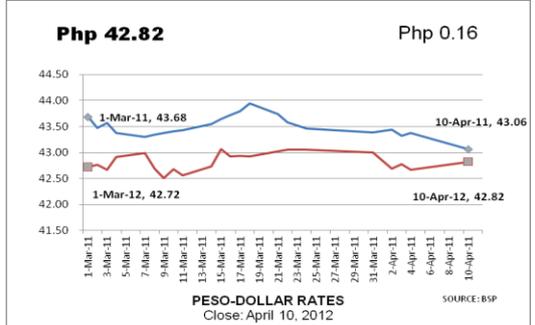
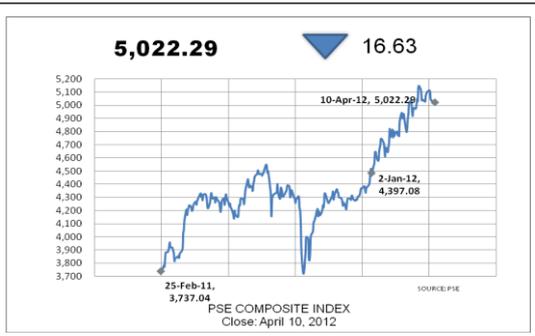
INDUSTRY BUZZ

Audi to build Q5 SUVs in Mexico plant

German car maker Audi has won the backing from parent Volkswagen (VW) to build a new plant in Mexico, German magazine Der Spiegel reported on Friday, citing no sources. The new factory will be designed to build Audi's Q5 sport utility vehicles from 2015, the magazine said. VW's supervisory board will ratify the plans at its next scheduled meeting on April 18. Audi spokesman Joachim Cordshagen declined to comment. VW originally wanted to expand its US-based factory in Chattanooga, Tennessee, which was only opened a year ago, to make room for production of Audi vehicles. The decision to build a factory for Audi in Mexico is not yet official, the top labor representatives of VW and Audi, Bernd Osterloh and Peter Mosch said on Friday in a joint statement. (BusinessWorld)

Flying car completes first flight

Woburn, Mass.-based Terrafugia Inc. said Monday that its prototype flying car has completed its first flight, bringing the company closer to its goal of selling the flying car within the next year. The vehicle — dubbed the Transition — has two seats, four wheels and wings that fold up so it can be driven like a car. Last month, it flew at 1,400 feet for eight minutes. Commercial jets fly at 35,000 feet. Around 100 people have already put down a \$10,000 deposit to get a Transition when they go on sale, and those numbers will likely rise after Terrafugia introduces the Transition to the public later this week at the New York Auto Show. (Malaya Business Insight)



	Tuesday, April 10 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	7.9172%	7.91%	7.79%

