

MACROECONOMIC SNAPSHOT

Balance of payments swung to a deficit in March

The country registered a \$209-million deficit in its balance of payments (BOP) in March—the biggest monthly deficit in nearly three years. Data from the Bangko Sentral ng Pilipinas showed that the BOP deficit in March was a reversal of the \$2.02-billion surplus reported in the same month last year. But the BSP said that in the first quarter of the year, the country's BOP position remained comfortable with a surplus of \$1.24 billion. Still, that figure was 64-percent lower than the surplus of \$3.49 billion seen in the same period last year. BSP Deputy Governor Diwa Guinigundo said that the outflow of foreign currencies in March exceeded the amount of cash coming in. He said the settlement of some of the government's maturing debts to foreign creditors led to the shift in the country's balance of payments. (Philippine Daily Inquirer)

Phl among those shielded from eurozone bank crisis

The Philippines, along with other emerging markets in Southeast Asia, has so far managed to contain the effects of deleveraging of euro zone banks. Moving forward, the region should tap on monetary policy to shield the economy from a potential credit crunch, the International Monetary Fund (IMF) said. "So far in Southeast Asia, the deleveraging process has been manageable and has been managed because local banks and other banks have been able to step in the shoes that previously were of the euro area banks," José Viñals, financial counsellor and director of the IMF's Monetary and Capital Markets Department, told. "And these substitutions have very much kept things normal. This is the story in the last few months," Viñals added. (The Philippine Star)

Economy grew 5% in Q1, says think tank

The economy may have grown by at least 5 percent in the first quarter, according to local think tank First Metro Investment Corp.-University of Asia and the Pacific (FMIC-UA&P) Capital Market Research Center. In its latest issue of Market Call that seemed to support the optimism of Trade Secretary Gregory T. Domingo about the economy, the FMIC-UA&P Capital Market Research Center said a growth of 5 percent or more is possible on the back of improved jobs data, increased government spending, exports recovery and benign inflation. "Economic data made available in the first quarter would indicate a much-improved economy, which lead us to forecast a gross domestic product [GDP] growth of 5 percent or more for the quarter," the center said. (BusinessMirror)

FINANCIAL TRENDS

Optimism may push market even higher

Stocks are expected to move within a narrow range this week, albeit with an upward bias, with investors likely to retain some momentum after the market notched two new record highs last week. The Philippine Stock Exchange index (PSEi) rose by 1.16% to 5,156.46 last Friday from 5,097.30 the week prior. The broader allshare index added 0.71% to 3,429.55 versus 3,405.26. "Week on week, the PSEi advanced by 59 points, even touching a new [intraday] all-time high of 5,219 as economic numbers continued to improve," asset management firm BPI Asset Management said in a market report last Friday. (BusinessWorld)

P/\$ rate stands at P42.605/\$1

The peso exchange rate stands at P42.605 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P42.679. (Manila Bulletin)

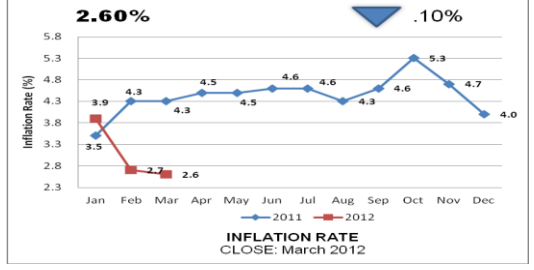
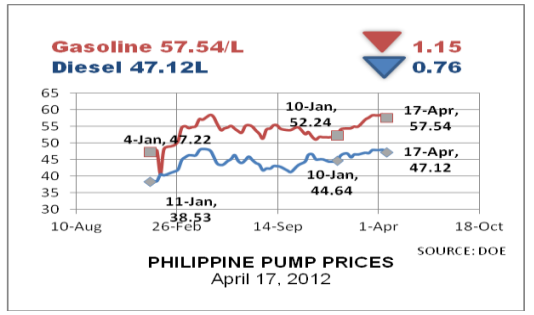
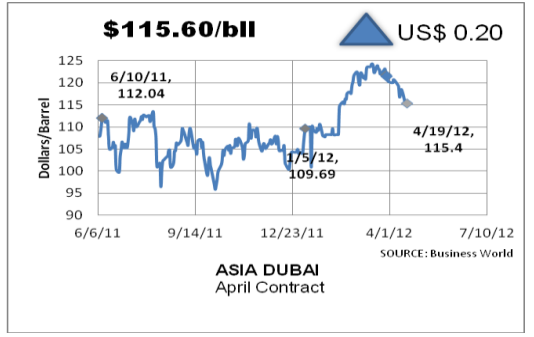
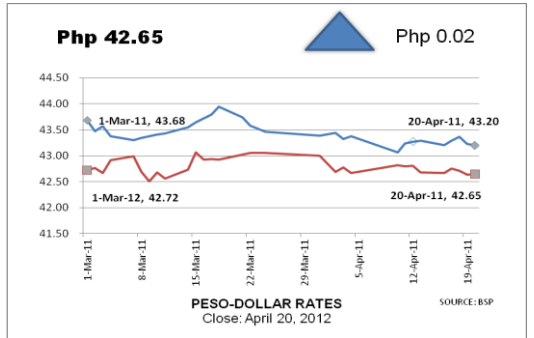
INDUSTRY BUZZ

HARI posts 44% car sales hike

Hyundai Asia Resources Inc. (HARI) closed the first quarter of the year with a 44-percent growth in car sales because of strong turnover of passenger car models. HARI sold 6,767 units from January to March, up from 4,712 units sold in the same period last year. The company said sales of PC models such as the i10, Accent and the Elantra, posted a 127-percent increase for the first three months of the year to 4,297 units sold against 1,889 units sold in the same period last year. (The Philippine Star)

Ford launches "The Works"

Ford Philippines launches its summer retail promotion, "The Works," which offers customers a worry-free purchase with Ford's all-in low down payment packages with Ford's Scheduled Service Plan (SSP). Ford's summer promotion provides customers with an easy purchase and ownership experience featuring popular vehicles such as the Ford Fiesta, Ford Focus and Ford Escape. "We continue to grow further and offer our customers best-in-class vehicles as well as best-in-class ownership experience," said Vinay Piparsania, VP for marketing and sales, Ford Group Philippines. (BusinessMirror)



	Friday, April 20 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	7.93%	7.94%	7.79%

