

# DASHBOARD

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AVID Daily E- News

April 27, 2012

Volume 3 No. 53

## MACROECONOMIC SNAPSHOT

### DOF expects lower budget deficit

The Aquino administration expects a much lower budget deficit next year on the back of higher revenue collections of the government's two main tax agencies, data from the Department of Finance showed Wednesday. The finance department expects the government's nominal budget deficit to reach P241 billion next year, lower by 13.6 percent compared with the P276.1 billion ceiling set by the government's economic managers for 2012. The government's fiscal gap assumption for next year is equivalent to 2 percent of the country's economy as measured by its GDP. Premised on a more positive economic outlook for next year, the finance department expects that the government would generate P1.78 trillion in revenues, higher by 14 percent compared with P1.56 trillion target for this year. (Manila Bulletin)

### Asia urged to close income gaps

The International Labor Organization (ILO) has urged the Philippines and other countries in Asia to address rising income disparities and social exclusion as the region faces growing uncertainty due to decreasing export demands and devastating impacts of disasters. It said the lingering global economic crisis has shown the continent's vulnerability to external factors. Although Asia continues to outpace Europe and other regions, the ILO said moderate domestic demands and decreasing exports due to the economic crisis in rich countries had taken their toll on poor nations. (BusinessMirror)

### Global growth expected to remain fragile - IIF

Global growth is expected to remain fragile as global financial markets took a turn for the worse last year and in the early part of this year, according to the Institute of International Finance (IIF). The IIF is the world's only global association of financial institutions. Members include most of the world's largest commercial banks and investment banks as well as a growing number of insurance companies and investment management firms. In its latest Global Economic Monitor, IIF said a string of weaker than expected growth indicators coincided with renewed market risk aversion in the run up to the second quarter of the year. As such, IIF said that the global economy especially in the euro area may remain turbulent. (The Philippine Star)

## FINANCIAL TRENDS

### PSEi closes at fresh high as Wall St. surges

Stocks closed higher for the fourth consecutive session and ended at a fresh record high on Thursday, buoyed by US markets that surged on earnings news and a Fed pledge to engage in another round of bond purchases to stimulate the US economy if this is needed. The Philippine Stock Exchange index (PSEi) rose by 0.27% or 14.13 points to close at 5,218.97. The broader all-share index added 0.28% or 9.70 points to 3,481.94. (BusinessWorld)

### P/\$ rate closes at P42.53/\$1

The peso exchange rate closed higher at P42.53 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.675 the previous day. The weighted average rate appreciated to P42.593 from P42.66. Total volume amounted to \$654.88 million. (Manila Bulletin)

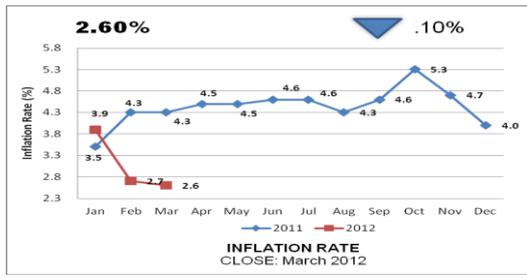
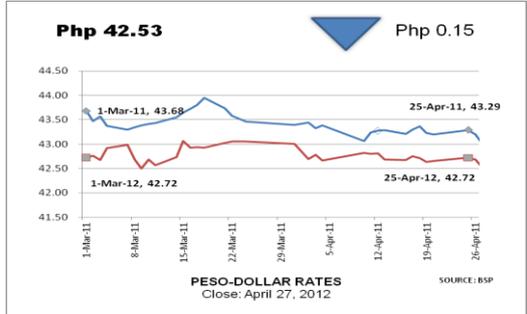
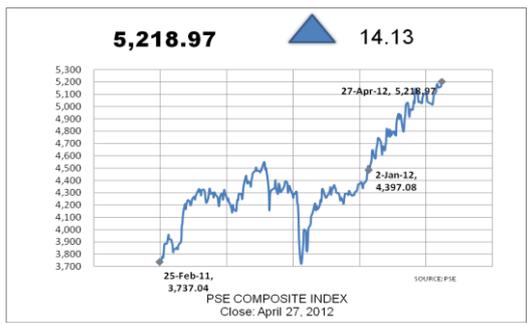
## INDUSTRY BUZZ

### Ford to rely on SUVs in China, target growing middle class

Ford Motor Co.'s China strategy centers on four new SUVs as that segment gains traction in the world's largest auto market, and it will build at least two of them locally, executives said at the Beijing auto show. The Dearborn, Mich.-based automaker wants members of China's growing middle class to think of Ford when they are shopping for their first utility vehicle. Ford plans to introduce 15 vehicles for China by 2015. The emphasis on utility vehicles aims to tap into a segment that Ford projects will grow by more than 10 percent annually. The vehicles accommodate families and are engineered to navigate poor, rugged roads in China's rural areas. (BusinessMirror)

### Japan car output rolls

Japan's three leading auto makers reported a surge in domestic production in March compared with a year earlier, when the giant earthquake and tsunami disrupted parts of supply chains. Factories at Toyota Motor Corp, Nissan Motor Co. and Honda Motor Co. are back at pre-quake capacity and working to meet demand that has been boosted by government subsidies for purchases of fuel-efficient vehicles. Toyota, Japan's biggest car maker by volume said it produced 364,928 vehicles in Japan last month, nearly three times the year earlier number. No. 2 maker Nissan said it produced 100,814 vehicles, more than twice as many as a year earlier, while third ranked Honda assembled 119,711 vehicles, more than three times as many. (The Wall Street Journal)



	Wednesday, April 25 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	7.92%	7.93%	7.79%

