



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### No underspending this year – Abad

A repeat of last year's underspending is unlikely despite a P46-billion first-quarter slack in the government's expenditure program, a Cabinet official said. "We missed the expenditure program in the first three months but we're not that concerned. The payments just took a little time," Budget Secretary Florencio B. Abad told BusinessWorld last week. Government expenditures totalled P394.883 billion in the first quarter, short of the P440.588-billion target. Mr. Abad claimed the discrepancy was due to an accounting procedure: some P7 billion in infrastructure disbursements will be credited for the month of April but the projects are already up and running. (BusinessWorld)

### Pinoy consumers tail India's in confidence-Nielsen survey

Filipino and Indonesian consumers polled by Nielsen are among those optimistic despite the crisis still simmering in highly developed countries. The Philippines and Indonesia shared the same index points and are countries among the top 11 most optimistic around the world. India, despite an 8-point index year-on-year decrease, remained the world's most optimistic market for the ninth consecutive quarter with a 1-point quarterly consumer confidence increase to 123, followed by Saudi Arabia at 119, the Nielsen poll said. The Philippines rose one point to 118 in the Nielsen Global Consumer Index of 56 countries, showing consumers improved optimism in the first quarter of this year as compared to the previous quarter. But the Nielsen Co.'s poll noted that the upbeat outlook came from what it calls "discretionary spending." "Improved confidence led to more discretionary spending from consumers around the world," a statement quoted Venkatesh Bala, chief economist at The Cambridge Group, a part of Nielsen. (BusinessMirror)

### Strong growth in bank lending seen in next 4 yrs

International financial services firm UBS expects a significant expansion of credit in the Philippines over the short to medium term, citing favorable business sentiment that is seen to boost investments and drive demand for bank loans. In a paper on the Philippines, the research arm of UBS said that after real credit growth in the country had been nearly stagnant from 2003 to 2009, bank loans had started to rise significantly to support investment initiatives of enterprises. This growth is expected to continue given the much-improved business confidence, it added. (Philippine Daily Inquirer)

## FINANCIAL TRENDS

### Index hits new record high for 18th time

Local share prices yesterday set a new record high for the 18th time this year, buoyed by firm US and China economic data. Investors returning from a one-day break pushed the Philippine Stock Exchange index (PSEi) up 0.5 percent or 26.14 points to close at a fresh record 5,228.84. The PSEi has already grown by 856.88 points or 19.6 percent since the start of the year. (The Philippine Star)

### P/\$ rate stands at P42.20/\$1

The peso exchange rate closed higher at P42.20 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. The weighted average rate appreciated to P42.166 from 42.2929. Total volume amounted to \$934.15 million. (Manila Bulletin)

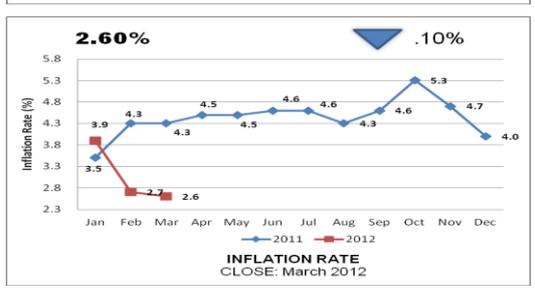
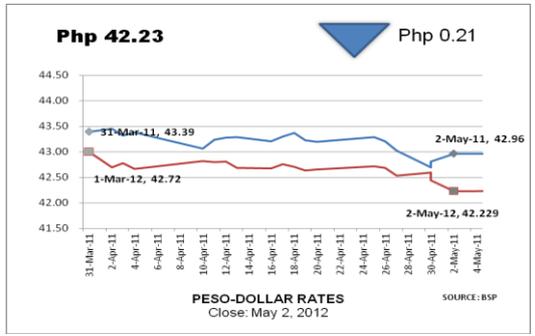
## INDUSTRY BUZZ

### Japanese auto sales surge

Japan's auto sales surged 92% in April from a year earlier, sustaining a strong upward trend as government subsidies helped accelerate the recovery in demand from the lows seen after last year's natural disasters. Japan's domestic sales of new cars, trucks and buses swelled to 208,977 vehicles from 108,824 a year earlier in April, outstripping the 78% jump in March with the eighth straight month of increase, the Japan Automobile Dealers Association said Tuesday. The figures don't include sales of mini cars and trucks. (The Wall Street Journal)

### Maruti profit slips 3%, beats forecast

Maruti Suzuki India Ltd. Saturday posted a third straight drop in quarterly profit, as weaker rupee increased the cost of imported auto parts while demand for gasoline-powered vehicles remained subdued. India's largest car maker by sales said profit for its fiscal fourth quarter ended March 31 fell 3% to 6.4 billion rupees (\$122 million) from 6.6 billion rupees a year earlier. The figure, however, beat the 5.68 billion rupees average of estimates in a poll of 12 analysts. Sales rose 17% to 114.86 billion rupees from 97.97 billion rupees a year earlier. The margin on earnings before interest, tax, depreciation and amortization improved to 7.8% as compared to 5% in the previous quarter. Demand for gasoline cars and sport-utility vehicles remained tepid in the past financial year as loans and fuel continue to be expensive. But those of their diesel counterparts continues to grow due to higher fuel-efficiency and the cheaper cost of the fuel. (The Wall Street Journal)



	Wednesday, May 2 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%	7.92%	7.79%

