



DASHBOARD

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MACROECONOMIC SNAPSHOT

ADB announces start of Asean Infra Fund

The Asian Development Bank (ADB) announced yesterday the start of the so-called Asean Infrastructure Fund (AIF), the largest financing initiative for the 10-member Association of Southeast Asian Nations (ASEAN). The AIF promises to help fund crucial infrastructure needs in the region such as road, rail, power, water and other critical projects, which are estimated to cost about \$60 billion a year. Asean member countries and the ADB have provided an initial equity of \$485 million for the AIF, with the Philippines contributing an initial \$15 million, ADB managing director general Rajat Nag told. In a separate statement, the ADB said the ASEAN Infrastructure Fund will finance approximately six projects a year, with a \$75 million lending cap per project. Nag said criteria for investments include their potential to "cut poverty, increase trade and bolster investments." (The Philippine Star)

World multi-currency reserve proposed

Amid changing global economic environment, nations should have three to four reserve currencies after the US dollar became less stable, according to a world-renowned professor of economics. Jeffrey D. Sachs, Director of the Earth Institute at Columbia University said that the US dollar can no longer be the single robust currency as its government faces its own fiscal problems. Sachs explained that the World would benefit by having multiple stable reserve currencies, such as US dollar, Yuan, Yen and other Asian currencies. Iwan J. Azis, Head of ADB's Office of Regional Economic Integration, meanwhile, said that they cannot predict when the US dollar would lose its standing as the single currency reserve in the world. "It just a matter of time, but no one can predict," Azis said. (Manila Bulletin)

Growth of industry revenues continues to slow

Revenue growth of most industries in the country continued to slow in the fourth quarter last year, the National Statistical Coordination Board said. Specifically, gross revenue index of industries grew 9.1% in the fourth quarter of 2011, markedly slower than the 12.7% seen in the same period the previous year "This is its fourth consecutive decelerated growth," NSCB said in its statement. Revenue growth decelerated across most sectors, except for real estate which grew 25.2% — its eighth consecutive double digit growth, and private services, which grew 8.9% from 5.9% the previous year. Finance slowed to 11.1% from 12.7% last year; trade, 10.5% from 13.9%; manufacturing, 6.2% from 11.0%; as well as transportation and communication, 4.9% from 10.5%. Growth of the total employment index likewise slowed to 0.9% from 2.3% in the same comparative periods. (BusinessWorld)

FINANCIAL TRENDS

Stocks seen to open on a negative note

Local stocks are likely to open on a negative note following disappointing US jobs data in April. AB Capital Securities said the market, which set new all time-highs last week, may be ripe for a pullback given its overbought level. The market is currently trading at 18.9 times trailing PE, which is way above the five year average of 13.3 times. The main index is also slightly above our fair value estimate of 5,200," AB Capital Securities said. Last week, the Philippine Stock Exchange index surged by 128.5 points or 2.49 percent to close at 5,297.55. All sub indices, except for the speculative mining-oil sub index, ended the week in the green. (The Philippine Star)

P/\$ rate stands at P42.32/\$1

The peso exchange rate stands at 42.32 to the US dollar, the closing rate last Friday at the Philippine Dealing and Exchange Corp. (PDEX). The weighted average rate stands at P42.234. (Manila Bulletin)

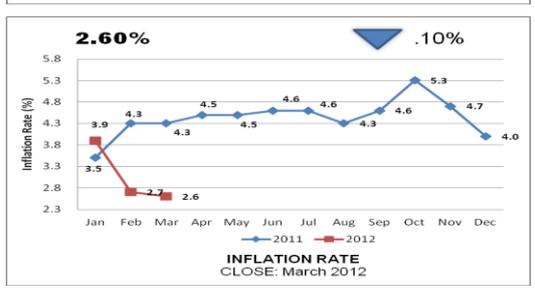
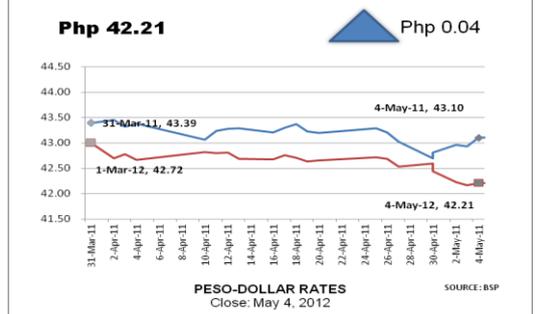
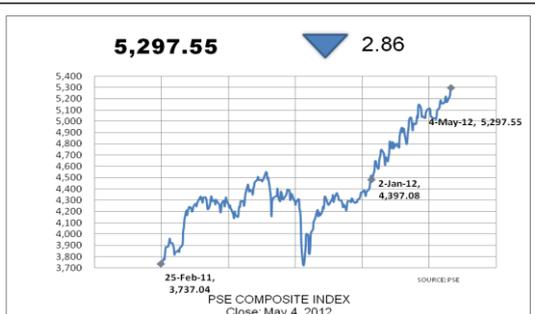
INDUSTRY BUZZ

BMW reports record quarter, sees best year

German automaker BMW said that the first quarter of this year was its best ever, surprising with an 18.1% rise in net profits on a 12-month comparison to €1.35 billion (\$1.8 billion). Sales surged by 14.1% to €18.3 billion and earnings before interest and tax by 18.8% to €2.13 billion, also exceeding expectations. The firm, which makes top of the range cars, said it expected to achieve sales and pre-tax profits records for the year. (BusinessWorld)

Luxury sedan exudes positive outlook

Eyed by Suzuki to penetrate the so-called "D-segment" market, Kizashi was launched last week at the One Esplanade, Pasay City, with a power house guest of industry leaders, government executives and motoring media. "The D-segment is a niche that has been untapped and unfamiliar to us," Satoshi Uchida, President of Suzuki Philippines, said in his speech. "However, with the right car in the Suzuki Kizashi and with the right timing, we believe that we are more than ready to go ahead and roll out even more exciting products in niches that used to be unfamiliar territories." (Manila Bulletin)



	Friday, May 4 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	7.88%	7.91%	7.79%

