

DASHBOARD

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MICROECONOMIC SNAPSHOT

Forex reserves up 11% to \$75.965B

The country's foreign exchange reserves grew 10.9 percent due to higher valuation of the gold holdings of the Bangko Sentral ng Pilipinas (BSP), as well as robust earnings from the overseas investments of the central bank. In a statement, BSP Governor Amando Tetangco Jr. announced yesterday that the country's gross international reserves (GIR) reached \$75.965 billion in April or \$7.477 billion higher than the \$68.488 billion booked in the same month last year. The country's foreign exchange reserves, however, has been sliding for the third straight month this year after hitting an all-time high of \$77.357 billion in January. The GIR slid down to \$77.011 billion in February, \$76.128 billion in March, and \$75.965 billion in April. (The Philippine Star)

Oil firms cut prices; review body cites progress

Prices of fuel continued to fall for the fourth straight week as oil companies reflected rates in the world market. Petron Corp., Pilipinas Shell Petroleum Corp., Seaoil Philippines, Inc., Eastern Petroleum Philippines Corp., Phoenix Petroleum Philippines, Inc. and UniOil Petroleum Philippines, Inc. cut prices of unleaded gasoline by P0.70 per liter, regular gasoline by P0.90/liter, diesel by P0.60/liter and kerosene by P0.50/liter. Gasoline prices have risen by P3.45/liter since the year started while prices of diesel have risen by P1.35/liter. Prices of Dubai crude, the benchmark used by most of Asia, are at \$111.02 per barrel from \$116 per barrel. International prices of diesel are estimated at \$131 per barrel while prices of gasoline at \$128 per barrel. (BusinessWorld)

Reliance on remittances 'risky'

Over-dependence of the Philippines on money sent by millions of Filipinos working abroad is risky for the economy, analysts from the Oxford Business Group (OBG) revealed. Despite glowing marks that investors gave in an OBG report on the Philippines released on Monday, regional editor Paulius Kuncinas said in a speech at the Asian Institute of Management in Makati City, "In the macro space, the country relies too heavily on overseas remittances as a source of jobs and foreign income." "Although remittances held up quite well during the crisis, we think that through this channel, the Philippines is exposed to external slowdown risk," Kuncinas added. (BusinessMirror)

FINANCIAL TRENDS

Philippine stocks rebound as risk appetite improves

Local stocks snapped out of a two-day slump on Tuesday as an improved risk appetite across the region allowed the market to reverse a weak start. The main-share Philippine Stock Exchange index closed 12.53 points or 0.24 percent higher to 5,242.06. (Philippine Daily Inquirer)

Peso gets boost from profit taking

The peso rebounded against the dollar yesterday after market players sold the dollar to pocket gains. The local currency gained seven- and-a-half centavos to settle at P42.275 per dollar yesterday against its P42.35-per-dollar close the previous day. "Given the tight range of the peso-dollar trading in the past few days, market players took advantage of the opportunity to realize gains," a trader said in a phone interview yesterday. (BusinessWorld)

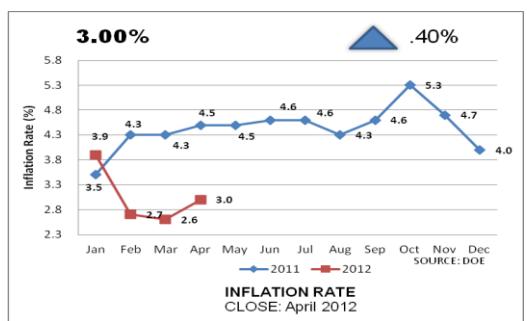
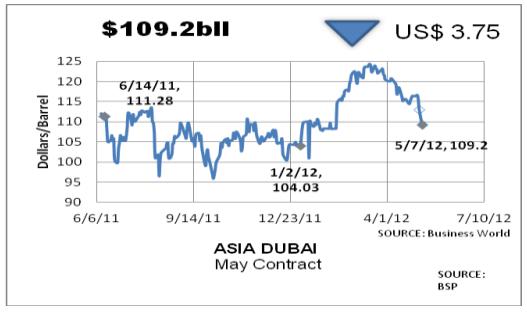
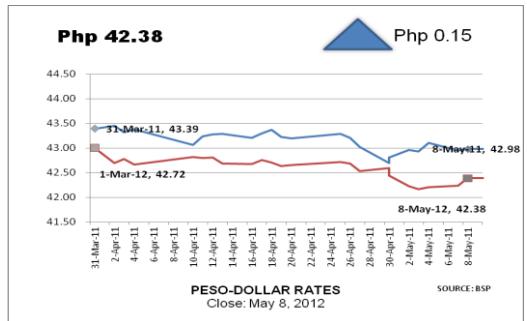
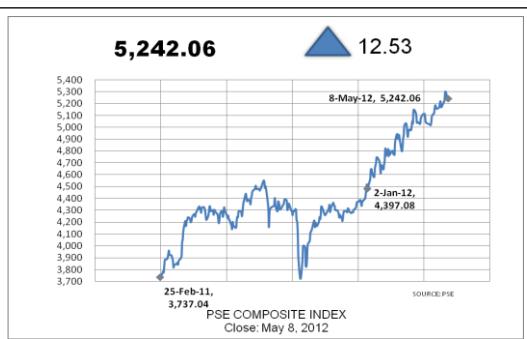
INDUSTRY BUZZ

Hyundai wooed to put up PH plant

The Board of Investments will ask top Korean car manufacturer Hyundai Motor Co. to obtain parts and components from the Philippines for its automotive assembly in South Korea and put up a local factory, a high-ranking Trade Department official said Monday. "It will be one of the highlights of our marketing activities in South Korea this coming May 15," Trade Undersecretary Cristina Panlilio said at the sidelines of a Trade event in Makati. He said Hyundai was on top of the list of Korean companies that the BoI would talk to during the visit. "We will invite them to buy local car parts for their assembly. The assembled vehicles could be brought back in the Philippines in the form of a CBU [completely-built units]," Panlilio said. (Manila Standard Today)

GM China April sales hit record high

US auto giant General Motors Co. (GM) said that it saw record sales in China in April, despite a broader slowdown in the world's biggest car market. GM sold 227,217 vehicles in April, up 11.7% from the same month last year, it said in a statement. GM also registered a sales record for the month of March. For the first four months of the year, GM's China sales rose 9.4% year on year to 972,369 units. GM China Group President Kevin Wale said sales would top a million in May, the earliest it has reached landmark figure in China. GM sold more than 2.5 million vehicles in China last year. Foreign car makers such as GM have been able to ride out an overall slowdown in China's auto market, the world's largest since 2009, helped by name recognition and perceptions of higher quality. (BusinessWorld)



	Tuesday, May 8 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%