



DASHBOARD

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MACROECONOMIC SNAPSHOT

PH budget surplus at record high in April

The government posted a record budget surplus of P31.02 billion in April as both revenues and expenses registered double-digit growth year on year, according to the Bureau of Treasury. April's figure brought the deficit for the first four months of the year to P2.88 billion. This is less than 3 percent of the 109.34 billion the government intends to spend on top of the national budget in the first semester. Budget Secretary Florencio B. Abad on Monday admitted that spending, especially on priority programs and projects, needs to grow at a much faster pace. "We in DBM will work closely with key departments in the remainder of the second quarter to troubleshoot implementation bottlenecks, address capacity constraints, and accelerate disbursements," Abad said. (Philippine Daily Inquirer)

2011 consumer loans grew by 15.5% to P546 billion

Consumer loans at end-December 2011 grew at an annual pace of 15.5 percent to P545.9 billion, the Bangko Sentral ng Pilipinas said on Monday. Consumer loans in the three months to September grew by 5.5 percent and an indication the consumption-driven local economy continues to expand as expected. Of the amount, P508.37 billion are current or performing loans while another P37.32 billion are past due or non-performing loans (NPLs). This translates to end-December 2011 NPLs of 6.6 percent, requiring the banks to put up buffer funds or so-called loan-loss reserves collectively worth 26.32 billion. (BusinessMirror)

BSP rates likely to remain unchanged

The Bangko Sentral ng Pilipinas will most likely maintain its policy rates at historic low levels throughout the year to help keep the economy growing despite unfavorable developments offshore. This is according to Moody's Analytics, which said existing policy rates of the BSP were so far "just enough" to help fuel domestic economic activities. The policy rates, which influence commercial interest rates, stand at 4 percent for overnight borrowing and 6 percent for overnight lending. "Policy rates in the Philippines are appropriate at the moment," said Katrina Ell, associate economist at Moody's Analytics, a think tank and research arm of Moody's Corp. "We expect most central banks across Asia to keep rates steady with the expectation that global demand will gather steam in the second half of the year," Ell added. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Stocks close the week below 5,000 after EU downgrades

The Philippine Stock Exchange index (PSEi) gained 0.09% or 4.43 points to 4,958.43, while the broader all-share index rose by 0.20% or 6.45 points to 3,314.49. "The market is still in consolidation mode as expected given that concerns abroad remain and the risks are still there. It was a technical bounce but the risks tempered the rally," said Astro C. del Castillo, managing director of brokerage First Grade Finance, Inc., yesterday. (BusinessWorld)

P/\$ rate stands at P43.13/\$1

The peso exchange rate closed higher at P43.13 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (DPEX) from P43.21 the previous day. The weighted average rate appreciated to P43.132 from P43.154. Total volume amounted to \$752.86 million. (Manila Bulletin)

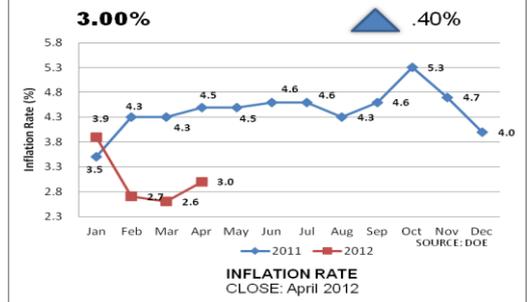
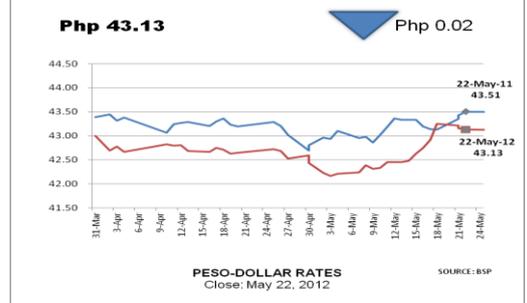
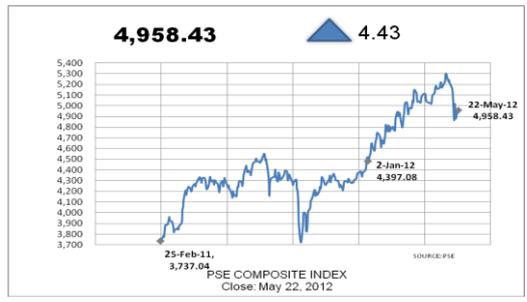
INDUSTRY BUZZ

Mitsubishi to launch Mirage model in November

Mitsubishi Motors Philippines is launching the sub-compact car Mirage in the Philippines in November to compete in the growing market for small cars. Mitsubishi Motors Philippines vice president for marketing services Froilan Dytianquin said the Mirage would directly compete with models in the A segment such as the Hyundai Eon and i10, Chevrolet Spark, Suzuki Celerio and Alto. He said Mitsubishi Motors is "challenging" the Philippines to sell around 500 units a month. "The growing segment in passenger cars is subcompact and micro cars," he said. Worldwide, the Mirage would be pitted against Nissan March, Honda Brio and Suzuki Swift. (The Philippine Star)

GM doubts impact of ads as it pulls out from Facebook

General Motors (GM) last week confirmed that it is pulling its advertising from Facebook because it determined that paid ads had little impact on consumers. GM had been spending about \$10 million on paid advertising and \$30 million on unpaid marketing on Facebook. "We are reassessing our Facebook advertising, but we remain committed to very aggressive social media strategies and will continue to push content on Facebook through our product and brand Facebook pages," GM spokesman Patrick Morrissey said. (The Manila Times)



	Wednesday, May 16 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	7.79%	7.88%	7.79%

