

MACROECONOMIC SNAPSHOT

Aquino: Investors to bring 'more jobs'

Employment will rise in the Philippines as a result of investors being drawn to his administration's adherence to good government, President Aquino said on Thursday. He told the National Career Advocacy Congress at the Diamond Hotel in Manila that in 2011, approved domestic and foreign investments in the country increased by 37.6 percent to P746.8 billion, from P542.7 billion in 2010, and created 194,917 new jobs last year based solely on the increase in investments. "We are expecting more jobs to be created in the coming years," the President said, adding that one company he did not name has "expressed its readiness to invest over P2 trillion in the Philippines over the next five years." He said his administration's pursuit of good governance and reforms has "clearly" made the country a preferred site for investments. (BusinessMirror)

Higher, new taxes needed for PH growth, WB says

For the fourth straight quarter, local businessmen remained optimistic of economic prospects amid growth concerns in the US and the sovereign debt crisis in Europe, a survey conducted by the Bangko Sentral ng Pilipinas (BSP) showed. The central bank's Business Expectation Survey for the second quarter of 2012 showed that the business confidence index improved to 44.5 percent in the second quarter of the year from 40.5 percent in the first quarter. Teresita Deveza, acting deputy director of the BSP's Department of Economic Statistics, traced the continued optimism of businessmen to the increase in orders and new contracts leading to higher volume of production as well as expansion in businesses and new product lines. (The Philippine Star)

Rate of rise in consumer prices seen to remain slow

The rate of increase in consumer prices in May will likely be restrained, ranging from 2.5 to 3.4 percent, the Bangko Sentral ng Pilipinas said. Based on the central bank's estimates, inflation in May will probably be lower than that of the previous month—and even that of the previous year—due to a decline in the prices of utilities, BSP Governor Amando Tetangco Jr. said Thursday. "Inflation could be lower than that of the previous month if the impact of lower international crude prices—lower transport and utility rates—has offset price increases in some fruits and vegetables," Tetangco told reporters. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Stocks expected to keep trading sideways

Stocks are expected to keep moving sideways this week with local investors continuing to monitor developments in the euro zone while keeping an eye on local and global growth data. The Philippine Stock Exchange index (PSEi) rose by 0.95% week on week to 4,925.97 last Friday, while the broader all-share index inched higher by 0.84% week on week to 3,293.65. (BusinessWorld)

P/\$ rate stands at P43.755/\$1

The peso exchange rate stands at P43.755 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (DPEX). The weighted average rate stands at P43.796. (Manila Bulletin)

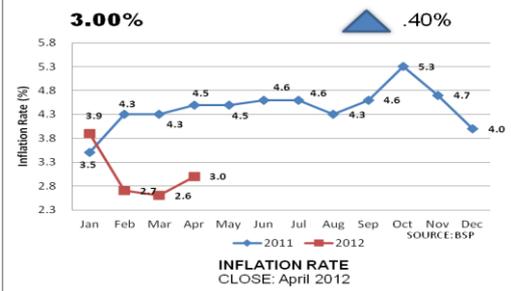
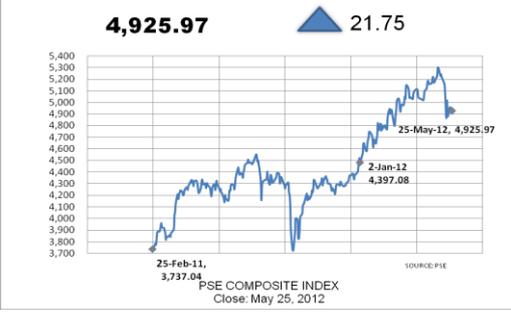
INDUSTRY BUZZ

Electric vehicle sector pins hopes on perks

Electric vehicle sector stakeholders pushed for congressional approval this year of a bill granting incentives to makers and importers of vehicles that use alternative fuels. "We are optimistic that the local EV (electric vehicle) industry will receive a boost this year with the passage of the Recto bill," Renato Redentor B. Constantino, executive director of EV Alliance, said in a presentation during the first day of the EV Summit in Pasig City. Energy Secretary Jose Rene D. Almendras told reporters on the sidelines of the event: "I am quite confident that proposals for incentives will become law this year... Congress knows that we should prepare for the future reality of limited hydrocarbon fuels." Froilan G. Dyntianquin, vice-president of Mitsubishi Motors Philippines, told reporters his firm will consider importing electric vehicles only if the incentives bill is passed. Mitsubishi on Thursday turned over to the Energy Department a unit of its i-Miev (Mitsubishi innovative electric vehicle). (BusinessWorld)

Kia Motors to provide fleet for UEFA Euro 2012

Kia Motors Corp. has announced that it will provide 359 passenger cars to ensure efficient and smooth transportation during UEFA Euro 2012 in cohost countries Poland and Ukraine, and to fulfil its requirement as a UEFA Eurotop partner and official automobile UEFA Euro 2012 (in conjunction with its sister company Hyundai Motor Co). Kia is supplying numerous designed-acclaimed models as official tournament vehicles, such as the all-new Cree'd, Rio and Sportage, which are among the top selling models in Europe. Kia will also add its D-segment sedans, Cadenza and Optima Hybrid, which have not yet been introduced to European customers. (BusinessMirror)



	Friday, May 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	7.79%	7.88%	7.79%

