

DASHBOARD

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MACROECONOMIC SNAPSHOT

Tax bureau refines targets

Collection targets have been tweaked by the Bureau of Internal Revenue (BIR), with an expanded role set for its Large Taxpayers Service (LTS) unit. Revenue Memorandum Order (RMO) 11-2012, dated May 7, revised the allocation of targets previously set at the start of the year. BIR operations will now account for P1.032 trillion in revenues, up from P1.03 trillion, while non-BIR operations – mainly involving taxes from government borrowings – will account for the remaining P33.755 billion, down from P35.989 billion. The 2012 revenue target of P1.066 trillion and its monthly breakdowns were retained. The BIR amended its goals based on updated 2011 collections data, particularly on taxes netted from government securities, the RMO explains. (BusinessWorld)

March imports decline by 3%

The country's total merchandise imports in March 2012 posted a 3.3 percent decline to \$5.3 billion from \$5.55 billion in the same period last year. The National Statistics Office (NSO) reported that aggregate imports went down by 1.5 percent from \$15.732 billion value in the first three-month period in 2011 to \$15.501 billion in the first quarter of 2012. Accounting for 28.7 percent of the aggregate import bill, payments for mineral fuels in March 2012 amounted to \$1.543 billion and registered the highest annual growth rate of 74.4 percent among the top ten imports from \$884.45 million in March 2011. (Manila Bulletin)

Phi borrowings up 60% to P347.6 billion

The government's total borrowings went up to P347.589 billion from January to April this year, 60 percent up from the P217.41 billion borrowed in the same period in 2011 due mainly to an increase in local borrowings, according to latest data from the Department of Finance. According to the data, gross external borrowings from January to April 2012 declined 34.75 percent to P83.714 billion from P128.305 billion in the same period last year. On the other hand, gross domestic borrowings increased to P263.875 billion in the first four months of the year from P89.105 billion borrowed in the same period last year, or an increase of 196.14 percent. The end result is a net borrowing of P162.402 billion, data showed. In April alone, total gross borrowings declined to P22.367 billion, 44.19 percent down from P40.078 billion borrowed a year ago. Total gross external borrowings during the month was only P647 million compared to P3.129 billion in the same month last year while gross domestic borrowings totaled to P21.72 billion from P36.949 billion a year ago. (The Philippine Star)

FINANCIAL TRENDS

Technical rally, GDP expectations lift PSEI

Stocks closed higher on Monday amid a technical rally, with prospects of upbeat domestic growth data somehow adding to investor optimism. The Philippine Stock Exchange index (PSEi) climbed by 0.54% or 26.77 points to close at 4,952.74, while the broader all-share index rose by 0.56% or 18.53 points to 3,312.18. (BusinessWorld)

Peso rises on news Greece likely to implement debt bailout

The peso inched up on the first trading day of the week amid improved investor sentiment resulting from latest political developments in Greece. The local currency closed at 43.54 against the US dollar on Monday, up by 21.5 centavos from 43.755:\$1 on Friday. Intraday high hit 43.45:\$1, while intraday low settled at 43.67:\$1. Volume of trade amounted to \$881.2 from \$1.2 billion previously. (Philippine Daily Inquirer)

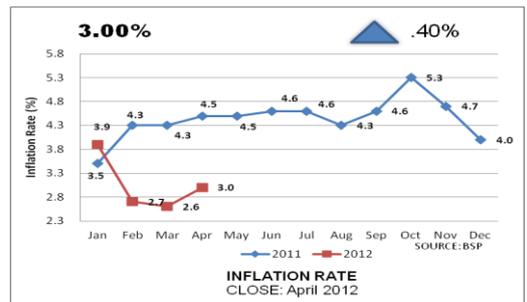
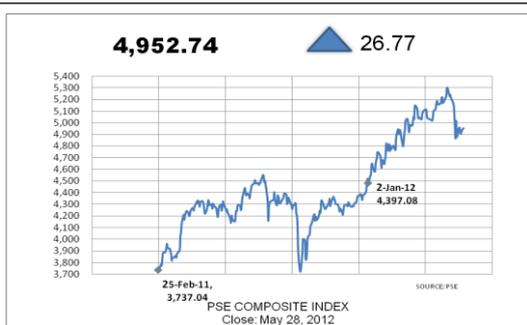
INDUSTRY BUZZ

Honda resumes sales of Jazz S variant

Honda Cars Philippines Inc. (HCPI) has resumed sales of the 1.3 liter Jazz S variant this month following the recovery of supply from its manufacturing plant in Thailand which again started production last March 26. Lack of supply from Thailand, which suffered from severe flooding late last year, forced HCPI to import cars from Japan, therefore making their units more expensive than their competitors. HCPI distributes the City, Jazz, Civic, Accord and the CR-V sport utility vehicle models in the country. As of April, it was importing the Jazz, Civic, Accord, and CR-V models from Japan. It is currently ramping up production of its City model in its production plant in Laguna. HCPI said sales of the Thailand-made Jazz resumed on May 18, 2012. (The Philippine Star)

Toyota shifts focus to emerging markets

Toyota Motor Corp. said over the weekend it would roll out eight compact car models tailored for emerging markets by 2015 in an attempt to catch up to front-runners such as Volkswagen AG and General Motors Co. (GM). Toyota is looking to reduce its dependence on the mature North American, European and Japanese markets. It wants to shift more of its weight to growth markets such as China, India and Brazil, where Volkswagen, GM and Hyundai Motor Co. have taken the lead. The Japanese automaker aims to sell half of its vehicles in emerging markets by 2015, up from around 45% last year and 18.6% in 2000. (BusinessWorld)



	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%

