



DASHBOARD

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MACROECONOMIC SNAPSHOT

PH 6.4% economic growth in 1st quarter beats expectations

The Philippine economy grew 6.4 percent in terms of gross domestic product in the first quarter of 2012, driven mainly by a robust services sector and higher domestic consumption, government officials said at a press briefing on Thursday. National Statistical Coordination Board secretary-general Romulo A. Virola said that services contributed the most to GDP growth with 4.7 percentage points (the highest since the third quarter of 2004), followed by industry with 1.6 percentage points and agriculture, fisheries, and forestry with 0.1 percentage point. Socioeconomic Planning Secretary Arsenio M. Balisacan said the first-quarter growth was well above the market's consensus forecast of 4.8 percent. "Also, the Philippines posted the highest growth among ASEAN and other neighbouring countries except China," said Balisacan, who is also the director-general of the National Economic and Development Authority (NEDA). (Philippine Daily Inquirer)

PHL 'ideal' site for PPPs

The Philippines, among member-countries of the Association of Southeast Asian Nations (ASEAN), offers the most ideal environment for public-private partnerships (PPPs). The verdict was handed down recently by Asian Development Bank (ADB) in its 2011 Infrascope. In the Asia-Pacific region, ADB ranked the Philippines eighth in PPP-readiness. It said on a scale of 0 to 100, with 100 representing the perfect environment for PPP projects, the country scored 47.1 out of 100 on its way to the No.1 spot in ASEAN. "The Philippines has updated, or is in the process of updating, regulations and has restructured existing institutional frameworks in the hope of improving the processes around PPP selection and oversight, and to develop specialist capacity in the public sector," ADB said. (BusinessMirror)

Euro-zone business confidence slumps

Businesses in the 17 countries that use the euro became much more gloomy about their prospects in May as the currency area's fiscal crisis deepened. The weakening of business confidence indicates that investment and new hiring won't pick up in coming months, and the euro-zone economy is therefore unlikely to embark on a sustained recovery. The European Commission Wednesday said its economic sentiment indicator for the currency area fell to 90.6 from 92.9 in April. Economists had expected the measure to fall much more modestly, to 92. The slump was driven by large falls in confidence in Italy and the Netherlands, with smaller drops in France, Germany and Spain. (Wall Street Journal)

FINANCIAL TRENDS

Robust Q1 economic growth figures boost Phl stocks

A surprising robust first quarter economic growth data pushed the country's main index near 5,100-point level yesterday. The Philippine Stock Exchange index climbed 1.45 percent or 72.91 points to close at 5,091.23. It reversed a 0.1 percent or 4.79-point drop on Wednesday. (Philippine Daily Inquirer)

P/\$ rate closes at P43.50/\$1

The peso exchange rate closed unchanged at P43.50 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P43.50 the previous day. The weighted average rate appreciated to P43.63 from P43.451. Total volume amounted to \$972.32 million. (Manila Bulletin)

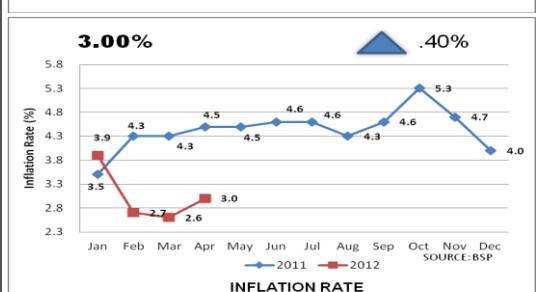
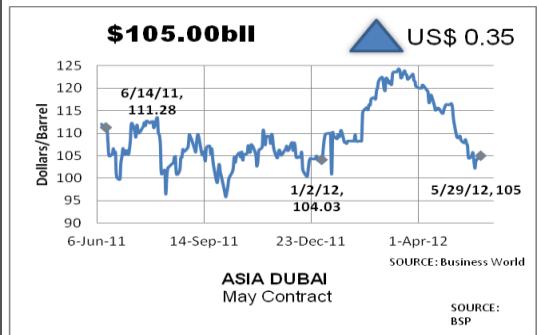
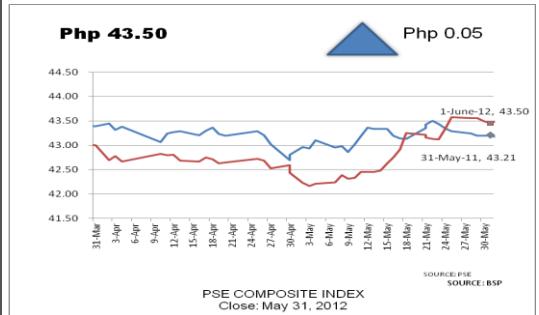
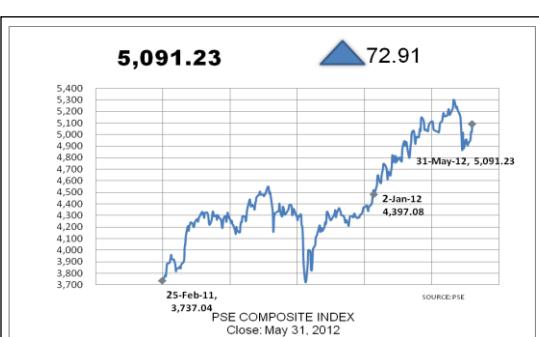
INDUSTRY BUZZ

Nissan to make Infiniti at \$315-M China plant

Nissan Motor Co., Japan's no. 2 automaker, will start making Infiniti cars at a two-billion-yuan (\$315-million) plant in China from 2014 as it moves to challenge the dominance of German rivals in the world's largest auto market. Chinese-made Infiniti cars would put Nissan on a more level playing field with Audi AG, Mercedes-Benz and BMW AG which have been making cars in China for years, industry observers say. Imported Infiniti cars have been available in China since 2007. "It's a necessary step if Infiniti wants a bigger share of the Chinese market," said Jenny Gu, a manager with industry consultancy LMC Automotive. (BusinessWorld)

BYD defends electric car; China plans broad subsidy

BYD Co. said that its e6 electric car, one of which caught fire in a collision on Saturday, passed all tests required by Chinese authorities. The Chinese car maker backed by billionaire Warren Buffett, moving to defend its vehicles after a drop in its shares on Monday, said the batteries used by e6 electric cars have undergone abuse tests and the battery modules didn't ignite or burn on 50% deformation, complying with Chinese standards. Separately, China's Finance Ministry said Tuesday that it would introduce a series of incentives to support the nation's development of electric and hybrid cars. The ministry also said it would ask cities to provide owners of the vehicles preference on parking fees, battery-charging fees and road tolls. (The Wall Street Journal)



	Thursday, May 31 2012	Last Week	Yearago
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%

