

DASHBOARD

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MACROECONOMIC SNAPSHOT

Phi world competitiveness improving - Nomura

Japan's largest investment bank Nomura International (HK) Ltd. is confident that the Philippines would be able to reverse the decline in its world competitiveness ranking through higher government spending. Euben Paracuelles and Lavanya Venkateswaran of Nomura said in a research note that there should be an improvement in the ranking of the Philippines in the 2012 World Competitiveness Yearbook that slipped to 43rd from 41st due to weak economic indicators. Paracuelles and Venkateswaran said the Philippines fell two spots to 43rd due to a weak ranking in the economic performance criterion that was related to the under spending by the Aquino administration last year. "But this is now being reversed, so there should be an improvement in future rankings," they stressed. (The Philippine Star)

Faster growth seen in next 3 quarters

The Philippine economy is seen to grow at a faster pace in the next three quarters, boosted by increased public spending and an anticipated improvement in exports, the National Economic and Development Authority said. The 6.4-percent growth in gross domestic product (GDP) posted in the first quarter would serve as a "springboard" for the next three quarters, Economic Planning Secretary Arsenio M. Balisacan told reporters. "We have already completed April and May, we have not seen any major shocks. In fact, what I've been hearing from the business community [is] quite positive. So far I think that the second quarter outlook will be quite good," Balisacan said. (Philippine Daily Inquirer)

Malaysia eyes more investments in Phi - Binay

Malaysian businessmen are "excited" about the Philippines and intend to explore more investment opportunities in agriculture and agribusiness, housing, finance, tourism and infrastructure, Vice President Jejomar C. Binay said. "The Malaysian business community, to use their own words, is very excited about the Philippines. They are attracted by the broad business opportunities and a business environment that encourages growth. They gladly welcome the new policy directions set by the administration of President Aquino promoting transparency and a level playing field," he said. The Vice President was in Malaysia from May 27 to 29 as head of an official delegation that included 35 business leaders. His visit was the first high-level visit to Malaysia in five years. (The Philippine Star)

FINANCIAL TRENDS

Investors sell shares on slowdown fears

Stocks tumbled yesterday on fears of a global growth slowdown after the US and China, the world's largest economies, reported dismal economic data while the euro zone continued to be mired in a crisis. The Philippine Stock Exchange index (PSEi) sank by 3.40% or 172.24 points to close at 4,890.20. The broader all-share index declined by 2.58% or 86.72 points to 3,279.09. (BusinessWorld)

P/\$ rate closes at P43.475/\$1

The peso exchange rate closed lower at P43.475 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P43.40 last Friday. The weighted average rate appreciated to P43.479 from P43.543. Total volume amounted to \$655 million. (Manila Bulletin)

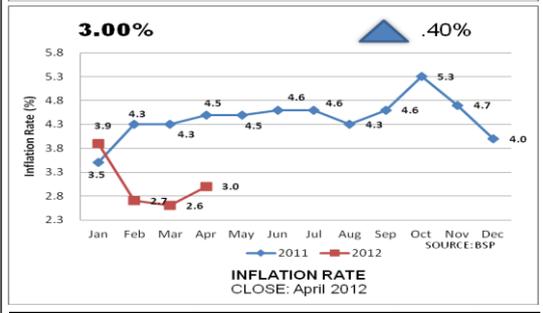
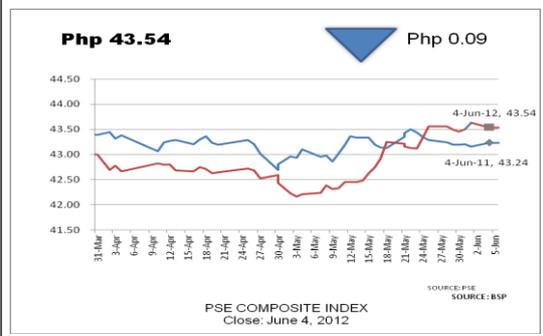
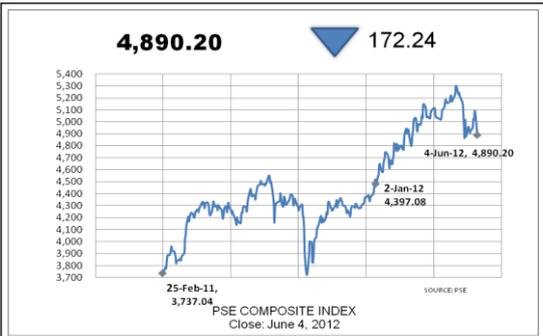
INDUSTRY BUZZ

Honda to bring in US-made cars

Honda Cars Philippines Inc. will beef up its fleet of vehicles in the Philippines by introducing models made in the United States. A company source told the US-made Odyssey and Pilot models would be officially unveiled in the local market this week. The source, however, did not give additional details. The Honda Web site showed the Odyssey mini-van produced in Lincoln, Alabama is a much-larger model compared to the Odyssey model made in Sayama, Japan. Pilot, meanwhile, is a mid-size crossover sports utility vehicle also produced in Lincoln, Alabama, although other Pilot models are produced in Canada. The entry of these two models is expected to heat up the competition in each vehicle segment. (Manila Standard Today)

Banks bullish on auto sales

2010 was a record year for the country's automotive industry. But based on manufacturers' and distributors' numbers, the auto industry incurred a 2.34 percent decline in sales in the first quarter of 2012 versus the same period last year. This was brought about mainly by supply problems as a result of the natural calamities that hit Japan and Thailand—both key car manufacturing hubs for Asia. They knew that the first quarter will be tough. But things are starting to pick up. Bangko Sentral says low interest rates and new models will attract more Filipinos to buy. Banks say they are bullish, even forecasting double-digit growths. (Malaya Business Insight)



	Monday, June 4 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%

