

DASHBOARD

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MACROECONOMIC SNAPSHOT

PHL's 6.4% GDP is ASEAN's best in Q1

The country's 6.4-percent gross domestic product (GDP) rebound in the first quarter of 2012 rank so far as the best among the 10 member-countries of the Association South East Asean and second only to China in Asia. Albay Gov. Joey Salceda, a renowned economic adviser to the Philippine presidents, said the country's recent significant economic bounce following a slackened performance in the past four quarters was powered by the Aquino administration's renewed economic strategies and its more serious approach on reforms to regain government integrity. Quoting reports from the National Statistics Coordination Board published on May 31, Salceda said the growth was driven among others by public construction at 62.2 percent, net exports, overseas Filipino workers remittances at +4 percent and households spending. (BusinessMirror)

Domestic demand to remain strong

Growth in domestic demand, led by household consumption, is expected to remain robust throughout the year given a low inflation and interest rate environment. According to the Bangko Sentral ng Pilipinas, benign inflation and low interest rates provide an environment favorable for household consumption and investments by both the public and private sectors. "The economy continues to feed on strong domestic demand," BSP Assistant Governor Ma. Cyd Tuñao-Amador told reporters. In the first quarter, the economy grew by a faster-than-expected rate of 6.4 percent on the back of a significant rise in household and government spending. A moderate increase in private sector investments also contributed to the growth. Household consumption grew by 6.6 percent, while government expenditure rose by 24 percent during the period. (Philippine Daily Inquirer)

Economic managers likely to keep targets

Existing macroeconomic targets are unlikely to be revised when the interagency Development Budget Coordination Committee (DBCC) meets next week, a Finance official said. "The present level might be maintained to be conservative in projecting budget outcomes," said Finance Assistant Secretary Ma. Teresa S. Habitan, a member of the DBCC's Executive Technical Board, noting that the first quarter's surprisingly strong 6.4% economic growth would be considered. (BusinessWorld)

FINANCIAL TRENDS

PSEi inches up as inflation data reassures

Stocks battered by the sharp sell-off on Monday managed to recover some of their losses yesterday, with investors reassured by the inflation data for May. The Philippine Stock Exchange index (PSEi) added 0.73% or 35.47 points to close at 4,925.67, while the broader all-share index gained 0.45% or 14.78 points to 3,293.87. (BusinessWorld)

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

The peso exchange rate closed unchanged at P43.475 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P43.475 the previous day. The weighted average rate appreciated to P43.389 from P43.479. Total volume amounted to \$915.56 million. (Manila Bulletin)

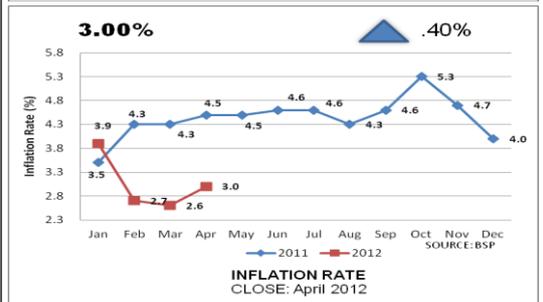
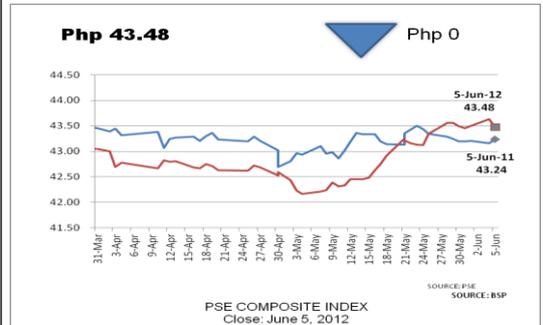
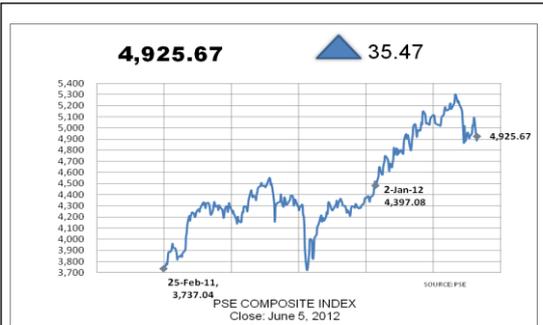
INDUSTRY BUZZ

GE builds green-car testing ground for corporate fleets

One of the world's top leasing companies is betting that corporations with fleets of cars and trucks increasingly will want them to be powered by electricity and other alternatives to fossil fuels. That bet will be partly tested at a half-mile track in Minnesota. To showcase green vehicles to corporate clients, GE Capital Fleet Services, a major player in commercial vehicle leasing, has built the test track and a showroom filled with Chevrolet Volts, Nissan Leafs and more exotic alternatives at its U.S. headquarters in Eden Prairie, Minn. Industry officials said GE's "Vehicle Innovation Center," which opened this week, is the first of its kind — a place where fleet managers from around the country will be invited to test drive everything from a small plug-in electric car to a semitrailer truck powered by liquefied natural gas. (BusinessMirror)

VW overhauls management to expand in China

Volkswagen elevated China's status within its sprawling empire and reasserted control over its wayward trucks brands with an extensive overhaul of senior management on Saturday as it bids for global market dominance. The company created a management board position dedicated solely to China - it's single largest market - which will be filled by Jochem Heizmann, who has been heading up the group's commercial vehicles businesses. Volkswagen was the first overseas carmaker to enter China three decades ago, and with its two local partners is investing 14 billion euros (\$17.3 billion) up to 2016 to build factories around the country. (Wall Street Journal)



	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%

