

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Growth forecast now 4.7%

Moody's Analytics raised the country's growth outlook this year to 4.7 percent in terms of gross domestic product (GDP) from only 4 percent originally. The higher output was bared in the wake of actual local expansion averaging a higher-than-expected rate of 6.4 percent in the first three months that surprised most analysts. Moody's attributed its expansive view to "government reforms attracting foreign investment and boosting growth prospects" for the Philippines this year. "The Philippines kicked off 2012 at a blistering pace. In the first quarter, the economy grew 6.4 percent year-on-year, the strongest GDP growth in Southeast Asia and the second strongest in Asia behind China. This prompted an upward revision to the 2012 growth forecast," Moody's Analytics economist Katrina Ell said. (BusinessMirror)

### Government sets P870-billion investment promotion target

The country's 13 investment promotion agencies (IPAs) have signed a memorandum of agreement to pursue an integrated investment promotion program to achieve their P870-billion investment target for the year. In a statement, Trade Undersecretary Cristino Panlilio said that under the Philippine Investment Promotion Plan, the aggregate target is composed of investment commitments of the different investment promotion agencies with the Board of Investments at P 405.82 billion, Philippine Economic Zone Authority, P322.80 billion, and other IPAs, P83.02 billion. Through the MOA, the IPAs agreed to implement their investment promotion program, interlink their information systems, and develop common investment promotion collaterals. They also agreed to contribute and provide support in funding the development and production of common investment promotion collateral, and common investment promotion activities. (The Philippine Star)

### Banking sector posts 41% jump in Q1 profit

The combined net income of universal and commercial banks operating in the country surged by 41 percent in the first quarter of the year to P30.45 billion from P21.66 billion in 2011. The Bangko Sentral ng Pilipinas said the accelerated growth of the economy fueled the increase in demand for banking products and services. Monetary officials said the favorable performance of the banking sector in the first three months of the year indicated its capability to help further stimulate economic growth in the remainder of the year. (Philippine Daily Inquirer)

## FINANCIAL TRENDS

### Phi stocks rise on hopes for EU, US stimulus

Local share prices rose yesterday, boosted by hopes that Europe is preparing to take action to tackle the region's financial crisis and comments from a Fed policymaker about possible support for the US economy. The Philippine Stock Exchange index (PSEi) climbed 56.37 points to settle above the psychologically important level of 5,000 at 5,022.95. (The Philippine Star)

### P/\$ rate closes at P43.16/\$1

The peso exchange rate closed higher at P43.16 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P43.22 the previous day. The weighted average rate appreciated to P43.122 from P43.295. Total volume amounted to \$915.56 million. (Manila Bulletin)

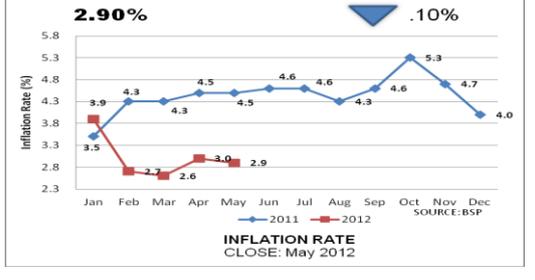
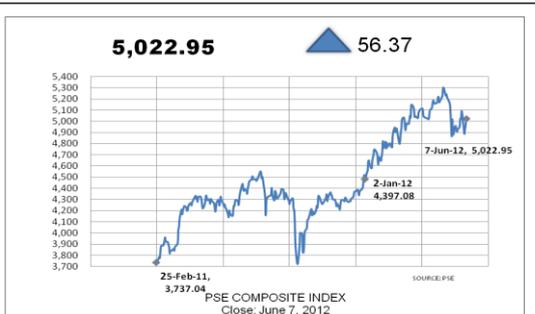
## INDUSTRY BUZZ

### Local Honda unit bolsters commercial vehicle portfolio

The local arm of Japanese car maker Honda Motor Co. Ltd. has moved to bolster its commercial vehicle portfolio, as it aims to bounce back to 2010 sales levels despite supply chain disruptions that hurt passenger car assembly here. Honda Cars Philippines, Inc. launched the new Odyssey and Pilot models to provide the company two footholds in the minivan and large sport utility vehicle segments, respectively. Together with the Honda CR-V, a compact SUV model, the Odyssey and Pilot now form part of the Japanese car maker's commercial vehicle line-up on top of the passenger car segment that is composed of the City, Civic, Jazz, and Accord sedans. (BusinessWorld)

### Europe set to regulate for greener cars

The European Commission is set to propose tighter carbon emissions standards for new European Union (EU) cars, according to a draft proposal that is likely to divide the auto industry. The proposal, expected to be made public next month, would make binding a 2020 goal to lower carbon dioxide (CO2) emissions to an average of 95 grams per kilometer (g/km). So far it is only a provisional, non-binding goal and compares with an existing, binding target of 130 g/km. Some industry representatives have said tougher binding standards would be extremely challenging. Others have said they are achievable and would help to make the 27-country EU's struggling car industry more competitive as international rivals catch up with environmental standards. (BusinessWorld)



	Thursday, June 7 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	2.17%	2.15%	3.85%
Lending Rates	7.79%	7.88%	7.79%

