

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### GIR up 10% to \$76 B in May

The Philippines' foreign exchange reserves posted a double-digit growth of 10.4 percent in May, further boosting the country's buffer fund to deal with the adverse effects of the sovereign debt crisis in Europe and the economic slowdown in the US, the Bangko Sentral ng Pilipinas (BSP) reported. BSP Governor Amando Tetangco Jr. said the country's gross international reserves (GIR) reached \$76.015 billion in end-May or \$7.162 billion higher than last year's \$68.853. The latest figure, however, is lower by \$522 million from end-April level of \$76.537 billion. (The Philippine Star)

### Philippines debt-to-GDP ratio seen to drop by yearend

The Philippine government's debts, in relation to the economy, will likely fall below the 50-percent threshold this year, boosting the country's chances of securing an investment grade from credit watchdogs. According to ANZ, an international financial services firm, the government's debt-to-GDP (gross domestic product) ratio may decline further to 48 percent by the end of 2012, from last year's 50 percent. Analysts believe that the Philippines' relatively high debt burden is one of the reasons why it is still rated one or two notches below investment grade despite its robust economy. Over the years, the Philippine government's debt-to-GDP ratio hovered above the 50-percent threshold, peaking at 84 percent in 2004. But government officials are now saying that the debt burden has been on a downtrend since then. (Philippine Daily Inquirer)

### ASEAN Exchange to attract growing domestic businesses

Finance Secretary Cesar Purisima said the ASEAN Exchange would encourage a deeper pool of liquidity from growing domestic businesses to consider listing. Likewise, the regional bourse would stimulate domestic corporates towards larger international ambitions. The ASEAN Exchange is a collaboration of stock markets from Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. In an interview with FinanceAsia, Purisima said the Philippines has companies that "are starting to go beyond the boundaries of the Philippines." "Getting funding from outside is crucial not just from a capital perspective, but also in terms of matching risk," he said. (The Philippine Star)

## FINANCIAL TRENDS

### Volatility to keep investors to sidelines

Trading is expected to remain sluggish this week, with investors to check how Spain's bank rescue would proceed, how Greece elections on June 17 would turn out and the market to take a pause on Tuesday for a public holiday. The Philippine Stock Exchange index (PSEi) fell by 1.35% to 4,994.07 last Friday from 5,062.44 the previous week. The broader allshare index slid by 0.91% week on week to 3,335.11 versus 3,365.81. Turnover summed up to P22.60 billion last week, 35% lower than the previous week, while foreign activity was at P641 million in net selling versus P194 million in net buying the week before. (BusinessWorld)

### P/\$ rate closes at P43.27/\$1

The peso exchange rate stands at P43.27 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average stands at P43.237. (Manila Bulletin)

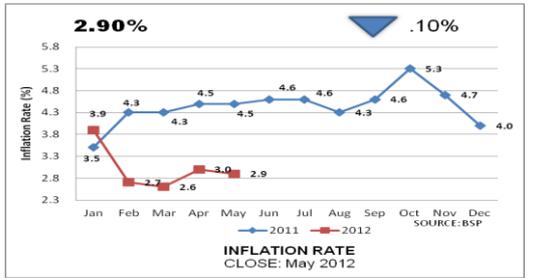
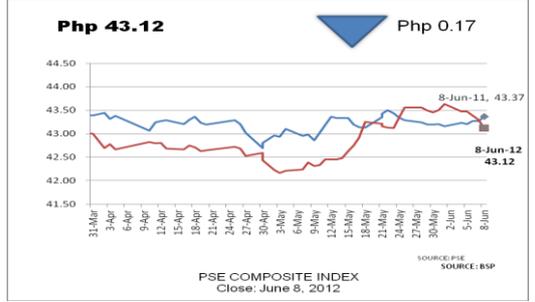
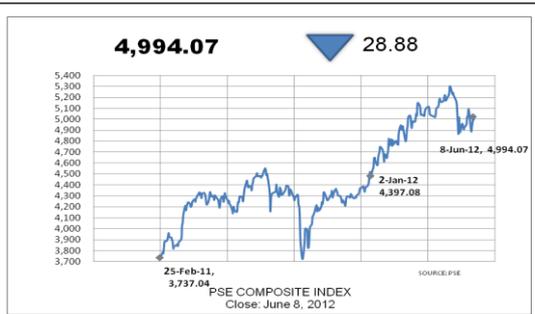
## INDUSTRY BUZZ

### GM Boosts Volt Range

General Motors Co. said its 2013 model-year Chevrolet Volt plug-in hybrid will get 38 miles of all-electric range, a three mile-per-charge increase from the current version. The improvement is the result of battery chemistry improvements that the company has been working on with supplier LG Chem. GM said the chief desire of current Volt owners is to eke out a bit more all-electric range. (The Wall Street Journal)

### Nissan unveils new Grand Livina Highway Star

The summer season may be over, but the streets are just starting to heat up as Nissan Motor Philippines, Inc. (NMPI) announced that the Grand Livina Highway Star will be available at all Nissan dealerships nationwide starting this weekend. Now made even more stylish, the Grand Livina Highway Star carries performance parts by Autech Japan, a group under the umbrella of Nissan Motor Ltd. that is famous for its various customized vehicle. This is the same group that teams up with NISMO for some of its racing cars. The Grand Livina Highway Star is NMPI's offering for those who long for a trendy and stylish sedan, but at the same time needs the space and accommodations of a multi-purpose vehicle (MPV). (The Philippine Star)



	Friday, June 8 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	7.78%	7.79%	7.79%

