

DASHBOARD

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MICROECONOMIC SNAPSHOT

BSP considers scaling down BOP forecast

The Bangko Sentral ng Pilipinas is having second thoughts about its forecasts on the country's balance of payments (BOP) and gross international reserves (GIR) this year and may have to scale down the growth figures due to the prolonged debt crisis in parts of Europe and its impact on the local economy. "We are mindful of the risks in the external environment, particularly the weakness in the eurozone, tentative growth in the United States, and slowdown in China," BSP Governor Amando Tetangco Jr. said, hinting at a reduction of BOP and GIR growth projections. Remittances are expected to grow by 5 percent this year, while the rise in foreign direct investments is seen to hold steady. But economists said the figures for exports and foreign portfolio investments could be weaker than expected. (Philippine Daily Inquirer)

HSBC sees OFW inflows growing 5.4% this year

British banking giant Hong Kong and Shanghai Banking Corp. (HSBC) expects remittances from overseas Filipino workers (OFWs) growing by 5.4 percent this year. In a report, HSBC economist Trinh Nguyen said that the amount of money sent home by Filipinos overseas would remain strong, boosting private consumption and the domestic economy. Latest data from the Bangko Sentral ng Pilipinas (BSP) showed remittances from OFWs went up by 5.4 percent to \$6.543 billion in the first four months of the year from \$6.21 billion in the same period last year. The BSP sees OFW remittances climbing by five percent this year after growing by 7.2 percent to a new record level of \$20.12 billion last year from \$18.763 billion in 2010. (The Philippine Star)

Rate adjustments readied

The Bangko Sentral ng Pilipinas (BSP) reiterated readiness to adjust policy rates to counter the impact of chaos in the euro zone and slowing growth in the US on the country's resurgent growth. "[W]e will continue to monitor [international] developments and their effect on our domestic markets," BSP Governor Amando M. Tetangco, Jr. told a forum in Makati City. "At our last meeting, our assessment was that we could keep policy rates steady as the more upbeat domestic conditions are balanced by easier oil price volatilities. We continue to believe this, but we are ready to make adjustments as necessary based on how events unfold," he added. (BusinessWorld)

FINANCIAL TRENDS

Stocks continue to recover

Local stocks continued to rise on Tuesday in the aftermath of a pro-bailout Greek vote but follow-through buying was muted as elsewhere across the region, as investors are next turning jittery over Spain. The main-share Philippine Stock Exchange index added 31.2 points, or 0.62 percent, to close at 5,081.61. Advancers narrowly edged out decliners 79-73 while 47 stocks were unchanged. (Philippine Daily Inquirer)

Risk aversion weakens peso against dollar

The peso weakened against the dollar yesterday as market relief over the Greek election results turned into risk aversion amid Spain's unresolved problems. The local unit shed three centavos to settle at P42.29 per dollar against its P42.26-per-dollar close the previous day. (BusinessWorld)

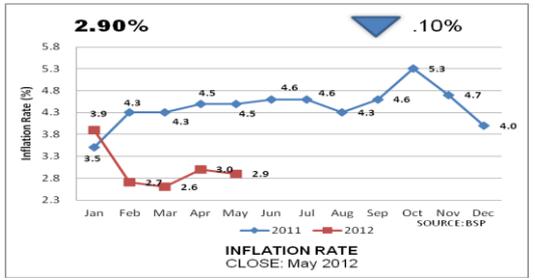
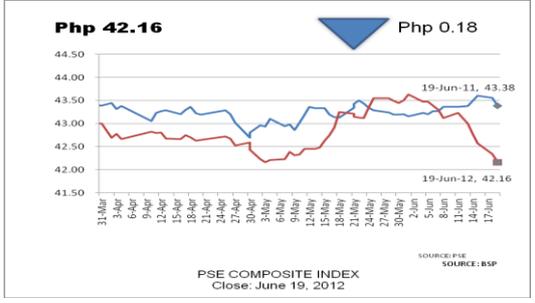
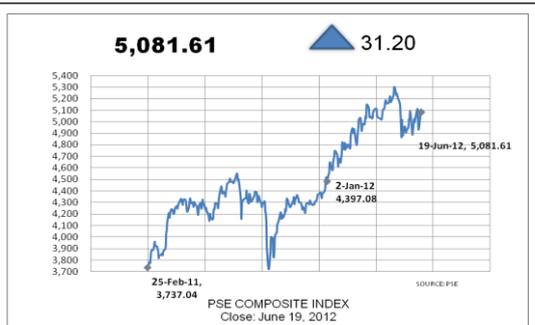
INDUSTRY BUZZ

Vehicle importers

The Association of Vehicle Importers and Distributors Inc. posted a 27-percent growth in vehicle sales to 12,887 units in the first five months of the year from the previous year's 10,151 units, bucking the 0.6-percent growth in total industry sales. In a report issued Monday, AVID said the strong performance during the January-May period could be attributed to the 77-percent surge in passenger car sales to 8,004 units from 4,528 units sold during the same period last year. "AVID kicks off this third quarter with favorable sales performance, riding high on the sustained positive consumer outlook, bolstered by a buoyant economic and business landscape," noted AVID president Ma. Fe Perez-Agudo. AVID expects the strong performance to continue until the end of the year, given the country's robust performance in the first half of the year. (Philippine Daily Inquirer)

BMW's new 3 Series scores top marks in European safety tests

The new BMW 3 Series has received the top rating of five stars in the latest European New Car Assessment Program (NCAP) series of crash tests, according to BMW, which noted that the sixth-generation model of the sport sedan delivered "excellent results" in all of the tests' criteria—which have become significantly more challenging. The test procedures carried out by the Euro NCAP measure the protection offered by vehicles involved in an accident, and are recognized by governments, motoring organizations and consumer protection groups throughout Europe. In addition to the protection afforded to the passengers in a number of different impact scenarios, active safety technology and pedestrian protection are also taken into account. (The Manila Times)



	Tuesday, June 19 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%

