

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Fitch keeps stable outlook for Phi

London-based Fitch Ratings has retained its credit rating and outlook for the Philippines amid the country's strong macroeconomic fundamentals, improving fiscal position, and stable financial system. Fitch director for Asia Pacific Sovereign Ratings Group Philip McNicholas said they are keeping the country's long-term foreign and local-currency issuer default ratings at "BB+" and "BBB" respectively. Fitch, McNicholas said, has retained a stable outlook for both ratings. "The ratings and outlook are supported by strong external finances, a track record of macroeconomic stability, favorable economic prospects, and falling public debt ratios," he stressed. (The Philippine Star)

### Peso may strengthen to 42.1:S1 by yearend

First Metro Investments Corp. said that the peso could hit an average of 41 against the US dollar this year, explaining that the recent drop in global oil prices would reduce the country's demand for dollars. FMC said that in its latest projection, the peso could average between 42 to 44 against the greenback, stronger than the original forecast of 43 to 45. In revising the peso forecast for 2012, First Metro Investment took into account the possibility that the country would spend less on imports than earlier expected due to the decline in the cost of oil prices in the world market. With the cut in import spending, the country's dollar demand may be further reduced, Roberto Juanchito Dispo, President of FMIC said. (Philippine Daily Inquirer)

### More families save part of remittances

Uncertain times are encouraging families receiving remittances to save more. A survey done by the Bangko Sentral ng Pilipinas showed that of the 544 households surveyed during the second quarter of the year, the percentage of those that save part of their remittances rose from 42.7 percent to 44.5 percent. The BSP traced this to uncertainties in Europe and elsewhere where Filipinos are working. BSP deputy governor Diwa Guinigundo said more families are now more aware of having to put the money they receive to good use. The survey showed that 95 percent used remittances for food. Those that utilized their remittances for education increased to 67.7 percent from 66.1 percent in the second quarter of 2011. More than half of the households (57.8 percent) surveyed allocated part of their remittances for medical payments and 44.1 percent for debt payments. (Malaya Business Insight)

## FINANCIAL TRENDS

### PSEi breaches 5,100 after 3-day advance

Stocks extended gains and pierced through the 5,100 barrier yesterday after the world's major and emerging economies pledged billions to a global crisis fighting fund while US monetary officials met, raising expectations they would approve a new stimulus to restart the sputtering US economy. The Philippine Stock Exchange index (PSEi) added 1.28% or 64.85 points to close at 5,146.46, while the broader all-share index rose by 0.90% or 30.40 points to 3,394.66. (BusinessWorld)

### P/\$ rate closes at P42.13/\$1

The peso exchange rate closed higher at P42.13 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.29 the previous day. The weighted average rate appreciated to P42.137 from P42.311. Total volume amounted to \$1,004.75 billion. (Manila Bulletin)

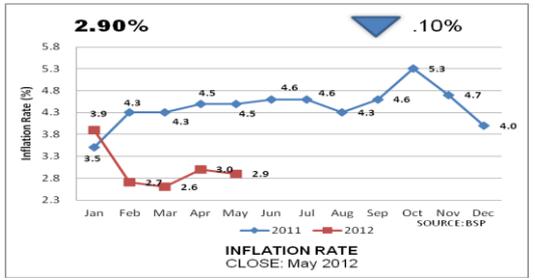
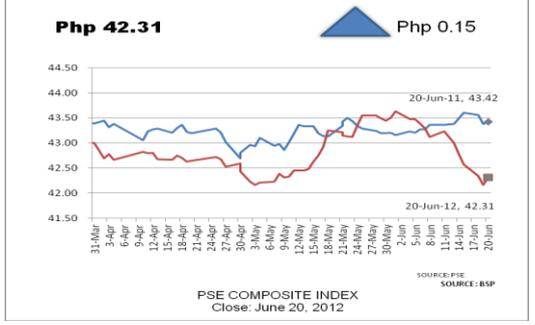
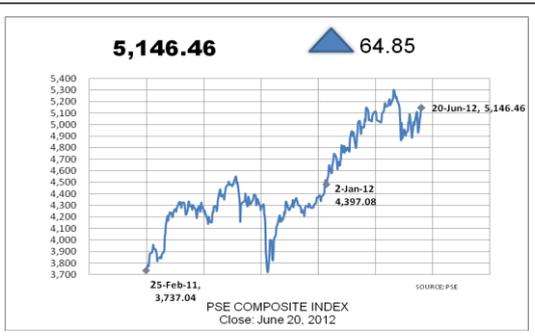
## INDUSTRY BUZZ

### Fiesta and Explorer drive Ford's May sales

May retail sales for Ford Philippines recorded 675 units led by the all-new Fiesta and Explorer. The Fiesta delivered a 34% rise in sales compared to April, plus it retained its position as the best-selling five door hatchback in the Philippines. The Explorer, on the other hand, is continuing to gain traction by delivering its strongest month of the year with sales up 15% from last month. Sales of the class-leading SUV is expected to rise more as the all-new Explorer 2.0 GTDi with EcoBoost will begin delivery in July. The long awaited arrival of the iconic Mustang sports car and the all-new Focus is also expected to further drive sales momentum. (BusinessWorld)

### Kia posts 89% growth year on year sales

The exclusive distributor of the Korean automaker in the country, Kia sold 3,246 units in the first five months of this year - a huge jump from the mere 1,715 sold in same period in 2011. According to CAC President Ms. Ginia R. Domingo, Kia's strong performance in the first half of 2012 is strongly attributed to the overwhelming reception of the all-new Rio, which was just launch last January. (Kotse.com)



	Wednesday, June 20 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%

