

DASHBOARD

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AVID Daily E- News

June 25, 2012

Volume 3 No. 88

MACROECONOMIC SNAPSHOT

Rise in employment rate reported

A survey reported by the National Statistics Office showed that the country's employment rate improved in April this year compared the same period in 2011. The NSO said the April 2012 Labor Force Survey (LFS) reported a 93.1 percent employment rate compared to 92.8 percent recorded in the same period last year. The 2012 LFS also showed that, except for the National Capital Region, all regions in the country recorded employment rates of over 90 percent. The NSO said that out of an estimated 62.8 million people 15 years and older, 40.6 million belong to the labor force as of April 2012, compared to 39.7 million recorded last year. (Manila Bulletin)

Indicators point to Q2 gains

The economy appears headed for faster expansion in the second quarter given continued improvements in an index tracking 11 key indicators, the National Statistical Coordination Board (NSCB) reported. The second-quarter composite leading economic indicator (LEI) -- the government's key tool for short-term forecasting -- rose to 0.125 from the revised 0.064 in the first quarter. The latest figure was also significantly higher than the 0.036 posted in the same quarter in 2011. "After a decline in the third quarter of 2011, the LEI has accelerated three quarters in a row, strongly indicating a continuation of the positive outlook for the country's economy," the NSCB said in a statement. NSCB Secretary General Romulo A. Virola said the result "also gives a reasonable level of confidence, showing there is a strong possibility that economic growth in the second quarter will be the same or better than... in the first quarter." (BusinessWorld)

Asia's local growth dilemma

Asia's economic resilience is once again being tested by the West's financial woes. But this time, Asian countries face their own challenges and are less well-placed than in the last downturn to get their economies humming again. Economies in the region are perching precariously on an increasing dependence on China, where growth is also slowing. Other trends that had been seen as positive developments—such as rising consumer spending and big inflows of capital—now leave them vulnerable to sudden shifts. "We are entering this slowdown with more domestic vulnerabilities than in 2008," says Frederic Neumann, co-head of Asian economic research for HSBC. During the 2008 financial crisis, Asia felt the brunt of the fallout from the U.S. housing bust. But the pain turned out to be temporary. Waves of government spending, especially in China, and interest-rate cuts regionally had economies perking up by 2009. In 2012, Asia isn't just being hit by weakness elsewhere. One potential Achilles' heel is a greater reliance on domestic demand, which has steadily increased in recent years, fueled by bank lending, pushing up sales of cars and property. (Wall Street Journal)

FINANCIAL TRENDS

PSEi slides as Fed cuts US growth forecast

Local stocks are likely to see volatile trade with an upward bias this week as investors take cues from global markets amid signs of slowing growth in the US and economic headwinds from the euro zone. Last week, the PSEi climbed 189 points or 3.84 percent to close at 5,120, powered by the services and mining sectors. (The Philippine Star)

P/\$ rate closes at P42.42/\$1

The peso exchange rate stands at P42.42 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P42.492 (Manila Bulletin)

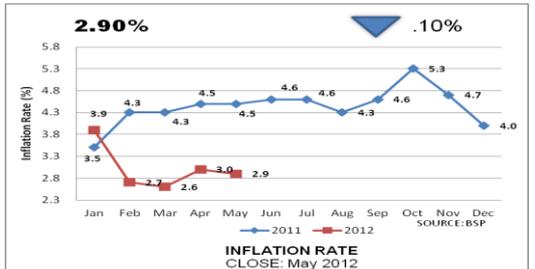
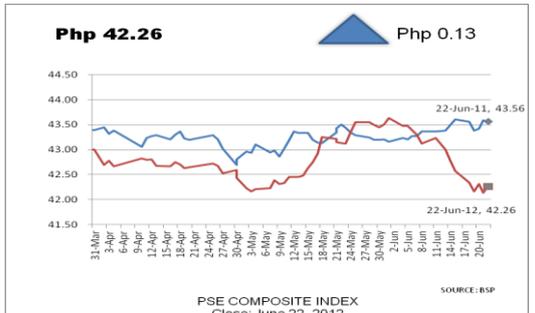
INDUSTRY BUZZ

Toyota registers record-breaking sales

Based on the most recent CAMPI report, Toyota continued to lead the local automotive industry in May with record breaking sales level since the start of its operations in 1989. During that month, Toyota sold a total of 5,977 units, beating its own record registered in October last year. The locally manufactured Vios played a key role in achieving the company's performance, strengthening Toyota's PC market share to 45 percent. (BusinessMirror)

Kia extends partnership with Philippine Azkals

Columbian Autocar Corp. (CAC) extended its affiliation with the Philippine national football team, or the "Azkals", after identifying itself with the team and saw how their partnership proved successful to all parties. CAC, the exclusive distributor of Kia vehicles in the country, signed the contract extending for a second year tie-up with the team as the latter's official transport provider. The ceremony was held at the Azkal Sports Bar at the Fort Strip in Bonifacio Global City, Taguig. Present during the contract signing were CAC officials led by President Ginia Domingo, Azkals team manager Dan Palami, coach Michael Weiss and some members of the Azkals. (BusinessWorld)



	Friday, June 22 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%	7.79%	7.79%

