

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Aquino approves P2.006-trillion 2013 budget

Next year's proposed P2.006-trillion national budget has been approved by President Benigno S. C. Aquino III with minor revisions, a Cabinet official said. "Except for some adjustments in the budget of certain agencies and clarifications on allocations of programs of key agencies, the budget was approved by the president and the Cabinet," Budget Secretary Florencio B. Abad. "The total obligation amount of P2.006 trillion was retained," he added. Details of the adjustments pushed during the meeting were not immediately available. Mr. Abad said the government hoped to submit the 2013 budget to Congress on July 24, a day after Mr. Aquino delivers his State of the Nation Address, so that it could be signed into law this year. (BusinessWorld)

### Listed firms post 24% profit hike in first quarter

Publicly traded companies saw their combined profits rise nearly 25 percent in the first quarter mirroring better-than-expected growth figures in the broader economy. In a statement, the Philippine Stock Exchange said listed firms posted a 24-percent increase in net incomes to P134.66 billion led by financial, industrial, property and holding firms offsetting the slump for companies in services as well as mining and oil. Revenues during the three-month period rose 18.9 percent to P1.02 trillion, the PSE said. "The robust first quarter results of listed companies validate the impressive performance our market has had so far, highlighted by the PSE Index rewriting record highs 19 times already this year," PSE president and chief executive officer Hans Sicat said in a statement. (BusinessMirror)

### Fuel price cuts may have led to lower inflation

Inflation could have eased anew last month due to continued fuel price drops, analysts said. The median forecast was 2.8%, within the BSP's outlook of 2.5-3.4% and down from the May result of 2.9%. June inflation data is scheduled to be released this Thursday. "Falling oil prices are helping keep inflation pressures at bay," said Katrina Ell, associate economist at Moody's Analytics. "The difficult global environment has seen commodity prices fall, including food and oil prices, good news for keeping inflation within target," she added. Dubai crude was down to an average of \$94.75 per barrel as of June 27 from \$107.33 a month earlier. Since the start of the year, meanwhile, local fuel prices have been rolled back 15 times, the latest being on June 26. (BusinessWorld)

## FINANCIAL TRENDS

### Stocks rise as Europe worries ease

Local stocks rallied to close above the 5,300 level for the first time in two months, extending a rally in regional markets and the US sparked by Europe's moves to ease its debt crisis. The PSEi surged 53.83 points or 1.03 percent to settle at 5,300.24 yesterday or near the market's all-time high of 5,330. Market breadth was positive with gainers outpacing losers 108 to 65 while 39 issues were unchanged. A total of 2.59 billion shares valued at P6.58 billion were recorded changing hands. (The Philippine Star)

### P/\$ rate closes at P42.02/\$1

The peso exchange rate closed higher at P42.02 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P42.12 last Friday. The weighted average rate appreciated to P41.993 from P42.276. Total volume amounted to \$883.65 million. (Manila Bulletin)

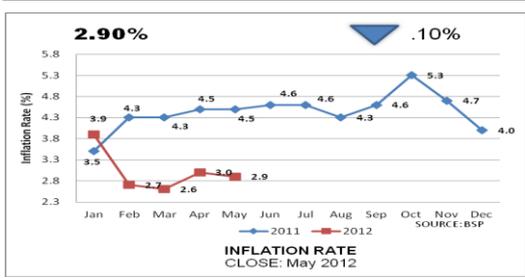
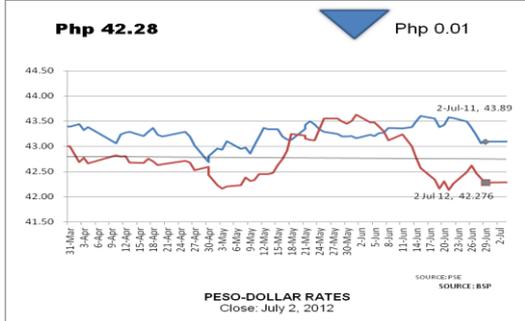
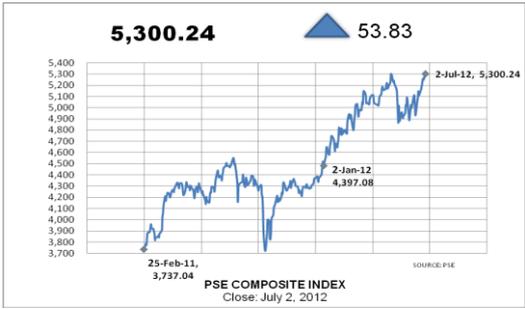
## INDUSTRY BUZZ

### Tax cuts sought for buyers of locally-made cars

Assemblers, smarting from the impending departure of Ford, are now calling on the government to give tax breaks for buyers of locally made vehicles to attract fresh investments for the industry and encourage consumers to upgrade their cars. Rommel Gutierrez, president of the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) said the draft roadmap of the industry, slightly off kilter now that Ford is exiting assembly, calls for the special deduction scheme for buyers of locally assembled cars. The proposal calls for the deduction from the net manufacturer's price of a locally-assembled vehicle, proportionate to the extent of its local value added or local content. (Malaya Business Insight)

### Japan auto sales rise 41% on incentives

Japan's auto sales in June were up 41% from a year earlier as consumers rushed to collect government incentives before the money runs out. Sales of cars, buses and trucks totaled 317,152 vehicles in June, up from 225,024 vehicles a year earlier, marking the 10th straight month of gains, the Japan Automobile Dealers Association said Monday. Sales for the first six months of the year were up 55% from a year earlier, to 1.86 million vehicles. As one of its steps to support Japan's auto industry, the government is offering ¥70,000 or ¥100,000 to consumers who buy fuel efficient vehicles. The incentives are scheduled to continue until January but it will end earlier if the ¥300 billion allocated for the program is exhausted. (The Wall Street Journal)



	Monday, July 2 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%	7.78%	7.79%

