

DASHBOARD

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MACROECONOMIC SNAPSHOT

Economy may top 6.4% growth in Q1

Malacañang said Tuesday the second quarter economic growth may surpass the 6.4 percent expansion of the gross domestic product in the first quarter of the year. "There is reason for us to be optimistic about our second quarter growth. In the first quarter, agriculture output grew by 1 percent net. The second quarter figure will most likely be higher than that," Malacañang spokesman Ramon Carandang said. "The government expenditures which we began in December continue to accelerate into the second quarter. The factors that led to the growth in the first quarter seem to be present and perhaps even more," Carandang added. The Palace official said the country's economic managers "will not be surprised" growth would hit 6.5 percent. (The Philippine Star)

ADB may raise 2012 forecast

The Philippines' 2012 growth forecast could be raised by the Asian Development Bank (ADB), with its country chief noting improved investor sentiment, recent ratings developments and fiscal gains. Noting the first quarter's stronger-than-expected 6.4% gross domestic product (GDP) growth, ADB Country Director Neeraj Jain said "Our forecast at that time was still 4.8%, but that forecast will likely be exceeded." "For the precise number we are still reviewing, and it will be released in September," Mr. Jain told, adding: "It is worth noting, however, that there is an upside momentum for the Philippines." The ADB's current 2012 forecast is higher than the 3.7% result for 2011 but falls below the government's 5-6% growth target. (BusinessWorld)

91% of infrastructure projects bidded

The Department of Budget and Management said that the Department of Public Works and Highways has successfully bid out 91 percent or 2,227 of the 2,452 infrastructure projects slated for this year, with 87 percent or 2,132 of these projects already given Notices to Proceed. Budget and Management Secretary Florencio B. Abad confirmed that DPWH posted these accomplishments as of end-May, adding that a total of 815 local infrastructure projects have already been reported as completed. "We're very pleased to note that nearly all local infrastructure projects have been bid out by the DPWH, and that a sizeable number of these projects have likewise been issued Notices to Proceed. This will certainly allow the DPWH to absorb the construction of more infrastructure projects in the second semester of the year," Abad said. (Manila Bulletin)

FINANCIAL TRENDS

Share prices slip 11 pts as investors take profits

Philippine stocks slipped yesterday as investors took the opportunity to take profits a day after the main composite index soared to a new record high. The main Philippine Stock Exchange index (PSEi) retreated 10.98 points to settle at 5,354.72. Market breadth was negative with losers outnumbering gainers 94 to 75. Thirty-four stocks were unchanged. A total of 3.17 billion shares worth P6.08 billion changed hands. (The Philippine Star)

Peso dips but stays in 41-to-dollar level

The peso fell against the US dollar on Wednesday, ending the days of sustained rise, as the market calmed down following euphoria over favorable developments related to the debt crisis in the eurozone. The local currency closed at 41.83 against the US dollar. This was down by 11 centavos from the previous day's finish of 41.72:\$1, which was the highest in four years. (Philippine Daily Inquirer)

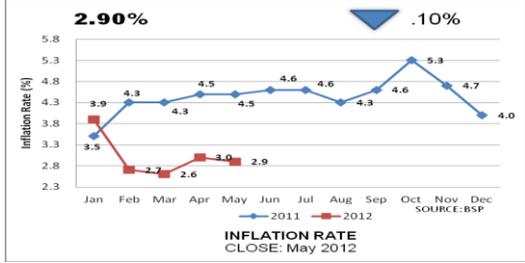
INDUSTRY BUZZ

Government urged to review car program

Local auto parts makers are urging the government to review the Motor Vehicle Development Program and fast-track approval of pending bills to help the auto market and encourage other auto assemblers to stay in the country amid Ford Philippines' planned closure of its assembly plant. Motor Vehicle Parts Manufacturers Association of the Philippines (MVPMPA) president Ferdi Raquelsantos said the government must undertake steps to get the auto assemblers to stay in the country as Ford announced last week it shall halt its assembly operations in Sta. Rosa, Laguna by the end of the year. "We plead for private sectors, government and end-users to take concrete steps so that the remaining auto assemblers will not go Ford's way," he said. (The Philippine Star)

Automakers face deepening European sales slump

French, Italian and Spanish car sales tumbled in June, rounding off a gloomy first half for Europe's auto industry where even the German market may not escape the effects of grim economic conditions. Already struggling automakers such as PSA Peugeot Citroën and Fiat suffered as southern European car markets plumbed new lows, according to data published on Monday, a day before German registrations are expected to come in broadly flat. Industry executives are having to tone down recovery hopes as the crisis deepens, making tentative restructuring moves by Peugeot and General Motors look inadequate and raising pressure on those yet to act. (BusinessWorld)



	Wednesday, July 4 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	7.80%	7.79%	7.79%

