

MACROECONOMIC SNAPSHOT

Sharp drop in jobless rate

Unemployment has declined from a record high hit earlier this year, the Social Weather Stations said, tracking improvements also seen in poverty and hunger indicators. Results of a May 24-27 survey set the jobless rate at 26.6%, equivalent to an estimated 10.9 million adults and down from the 34.4% (est. 13.8 million) peak recorded in March. It remains high, however, with the SWS noting that the figure -- below 15% from 1993 to March 2004 -- has stayed above 20% in all but three polls since May 2005. (BusinessWorld)

Oil surrenders part of gains, hovers at \$87

Oil prices fell slightly to near \$87 a barrel Wednesday in Asia, giving back some of the big gain from the previous day amid growing tension between Iran and Western powers. Benchmark oil for August delivery was down 49 cents at \$87.17 a barrel at midday Singapore time in electronic trading on the New York Mercantile Exchange. In London, Brent crude for August delivery was down 55 cents at \$100.13 per barrel on the ICE Futures exchange. The contract jumped \$3.91 to close at \$87.66 in New York on Tuesday after Iran said it test-fired several ballistic missiles in war games exercises. (Malaya Business Insight)

Madrid Protocol to draw more investors to PH

The Philippines expects higher investor interest in trademark registrations starting this month as the country opens applications under the Madrid Protocol, which allows brands to get protection in several countries through a single filing, according to the Intellectual Property Office of the Philippines (Ipophi). Ipophi director general Ricardo R. Blancaflor said that, overall, the number of trademark registrations is increasing and there may be 10 percent more registrations in 2012 from 2011. "As of end-June, we're up around 3 to 4 percent so I think we can hit 10 percent growth," Blancaflor said. In terms of registrations specifically under the Madrid Protocol, Blancaflor said initial reports reaching his office indicated that at least 200 trademark applications may be filed on the first day of registration alone on July 25. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Stock index seen to test 5,400 level

The stock market may test the 5,400-point level this week, depending on good news from the domestic front, an analyst told Manila Standard over the weekend. The Philippine Stock Exchange index hit a record level last week, closing at 5,362.680 on Friday, after Standard & Poor's Ratings Services upgraded the country's sovereign rating by one notch. (Manila Standard Today)

Peso momentum may slow

The peso may continue appreciating when the currency market reopens today as the latest US non-farm payrolls data have strengthened market expectations of another round of easing by the US Federal Reserve. Last Friday, the peso settled at P41.79 per dollar, 33 centavos stronger against its P41.12-perdollar close the week before. While remaining at a four year high on Friday, it actually eased from a record P41.68 per dollar on Thursday and, before this, P41.72 per dollar on Tuesday. (BusinessWorld)

INDUSTRY BUZZ

Volkswagen finalizes Porsche takeover

German carmaker Volkswagen says it is on track to finalize the full takeover of sports car manufacturer Porsche by the end of the month. Volkswagen AG said in a statement late Wednesday Porsche AG will become another fully integrated brand of the Volkswagen group as of August 1. The Wolfsburg-based group, Europe's biggest carmaker, includes brands such as Audi, Volkswagen, Seat, Bugatti, Bentley and truck makers MAN and Scania. The deal is also set to restructure the companies' complicated ownership ties. Volkswagen says the missing 50.1 percent in Porsche AG's capital will be bought from holding company Porsche SE for €4.46 billion (\$5.61 billion) plus one Volkswagen share. Porsche SE, in turn, currently holds a sizeable stake in Volkswagen and several executives and major shareholders are active in both firms. (Business Mirror)

US carmakers report strong June sales, easing worries

Automakers sold nearly 1.3 million cars and trucks in June, up 22 percent from the same month last year. Chrysler posted its best June in five years. Sales soared at Volkswagen, which is on track for its best year in the U.S. since 1973. The results allayed fears that the car market's momentum had stalled. U.S. sales were on track to reach 14.5 million after the first four months of the year. But the annual pace dropped to 13.8 million in May, as the stock market plunged and hiring slowed. June brought more worrisome news about jobs growth and consumer confidence. (Miami Herald)

	Friday, July 6 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%