

DASHBOARD

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MACROECONOMIC SNAPSHOT

Phl sees improved competitiveness

The Philippines may see some improvement in its competitiveness ranking this year amid efforts being taken to prevent corruption, address the infrastructure gap and improve business processes, the National Competitiveness Council (NCC) said. "I am optimistic in seeing an upgrade in the upcoming Global Competitiveness Report of the WEF (World Economic Forum) as we focused on three areas where there are common complains in investing in the Philippines," Guillermo Luz, NCC private sector co-chairman said in a telephone interview over the weekend. The Philippines placed 75th out of 142 countries in the WEF's 2011 to 2012 Global Competitiveness Report released last year. Compared to its rank in the report released in 2010, the Philippines went up by 10 places, which was the highest improvement seen by the country since it was included in the survey. (The Philippine Star)

Philippines among countries 'most underrated' -- BSP

The Philippines remains "underrated" despite a recent credit rating upgrade from debt watcher Standard & Poor's (S&P), top officials of the Bangko Sentral ng Pilipinas reiterated to reporters over the weekend. "The Philippines is one of the most underrated countries in the world. We are at least two or three notches underrated...based on bond-implied ratings," BSP Deputy Governor Diwa C. Guinigundo said during the 9th BSP Lecture Series in Subic Bay Freeport on Saturday last week. "The markets have already treated the Philippines with an investment-grade rating as our credit spreads are actually tighter than others," he noted. Speaking in the same event, BSP Governor Amando M. Tetangco, Jr., explained that bond-implied rating involves "basically comparing bond yields of different countries and relating those to the credit ratings of these countries." "Our credit spreads are tighter compared to others. So using that approach, what this means is we should be rated higher," he said. (BusinessWorld)

DBM details 2013 proposed budget

The Aquino administration's proposed budget for next year will address poverty, foster inclusive economic growth and empower citizens, especially the poor, the Department of Budget and Management (DBM) said on Monday. Budget and Management Secretary Florencio B. Abad said that 34.8 percent or P698.4 billion of the P2.006-trillion proposed budget has been earmarked for social services, higher by 14 percent compared with this year's P613.4-billion funding. Abad said the increase in budget support would lessen the resource gaps in basic education by next year and improve the coverage of 5.2 million poor households under the National Health Insurance Program. Abad also said that the government plans to construct at least 103,000 affordable housing units for informal settlers in danger zones, for soldiers, policemen and other uniformed personnel next year. The coverage of 3.8 million indigent households under the Pantawid Pamilyang Pilipino Program (4Ps) will likewise expand, Abad said. (Manila Bulletin)

FINANCIAL TRENDS

Phl stocks tumble as US jobs report dims outlook

Philippine stocks tumbled yesterday after a disappointing US jobs report stoked concern that the world's biggest economy remains mired in weak growth. The main Philippine Stock Exchange index retreated 98.94 points to settle at 5,263.74, while the broader all-share index dropped by 1.05 percent or 36.98 points to 3,490.50. (The Philippine Star)

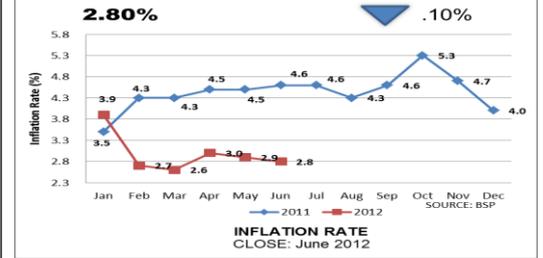
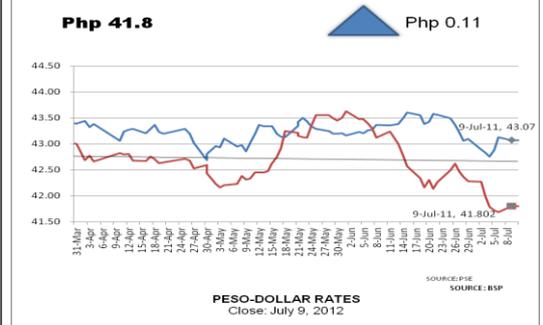
Peso falls on BSP move to close SDA to foreign funds

The peso fell on the first trading day of the week to its lowest level in about two weeks as the move of the central bank to prohibit foreign funds from being invested in its special deposit account (SDA) discouraged some investors. The local currency hit an intraday low of 42.015 against the US dollar before closing at 41.945:\$1. The latest close was weaker by 15.5 centavos from Friday's finish of 41.79:\$1. (Philippine Daily Inquirer)

INDUSTRY BUZZ

Audi to top premium car spot — CEO

Volkswagen AG unit Audi AG aims to become the world's largest maker of premium cars no later than 2020, Audi Chief Executive Rupert Stadler was quoted telling *Sueddeutsche Zeitung* in an interview published on Saturday. Asked when Audi expected to become the number one and overtake BMW as the world's largest luxury car maker, Mr. Stadler was quoted saying: "By 2020 at the latest. It is not about overtaking BMW tomorrow or the day after, but to seize and secure the top position." Mr. Stadler had previously set a goal of making Audi the world's top premium car maker by 2015. He also said the company would present "very good numbers" for the first half of the year, which the company is scheduled to release on July 31. "But we, too, feel that the road is getting bumpier," he cautioned. Earlier this week, Daimler AG said sales of Mercedes-Benz luxury cars grew in June at the slowest monthly rate so far this year, as sales in the key market of China continued to increase at a tepid rate. (BusinessWorld)



	Monday, July 9 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%

