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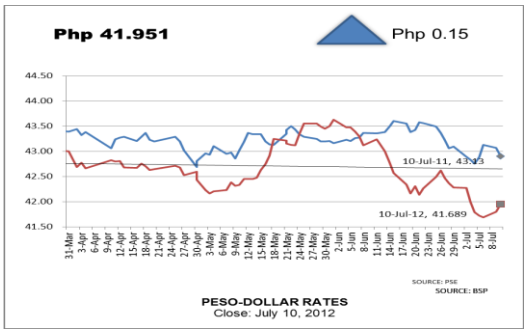
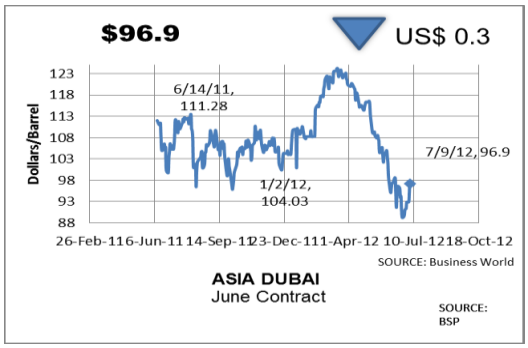
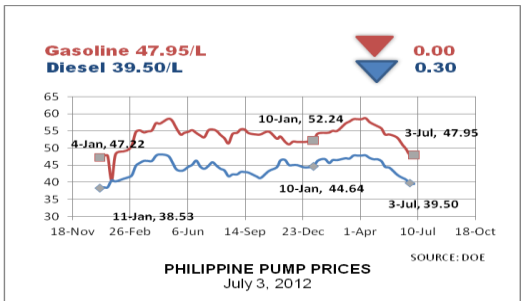
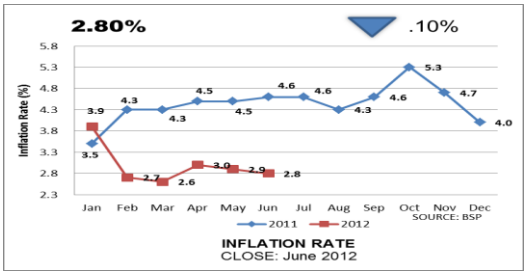
DASHBOARD

Changing News. Your Guide. AVID Daily E- News July 11, 2012 Volume 3 No. 99









	Tuesday, July 10 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	2.01%	2.15%	3.85%
Lending Rates	7.80%	7.79%	7.79%

MACROECONOMIC SNAPSHOT

Government targets record growth

Economic growth could hit a record 8.5% by 2016, the Development Budget Coordination Committee (DBCC) said as it bared macroeconomic targets for the rest of President Benigno S. C. Aquino III's term. Gross domestic product (GDP) growth is projected to hit 5-6% this year, 6-7% in 2013, 6.5-7.5% in 2014, 7-8% in 2015 and 7.5-8.5% in 2016, Budget Secretary and DBCC chairman Florencio B. Abad said. Under this framework, the Philippines could achieve its highest growth rate yet by the end of the Aquino administration, exceeding the previous record of 7.6% set in 2010 as the country rebounded from a global economic crisis. (BusinessWorld)

New mining policy to boost government income

Malacañang released on Monday its new mining policy, which it said would boost government revenues and improve environmental standards in the industry. Palace officials called Executive Order (EO) 79, "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources," as a "landmark order" on mining as it sets a "clear direction" for the industry.(Business Mirror)

Hot money down 66% in June

Foreign portfolio investments, or hot money, shrank 66 percent year-on-year as of June 22, amid risk aversion stemming from the European debt crisis. Data from the Bangko Sentral showed net inflows of foreign funds that are invested in stocks, government securities and money market amounted to just $824.1 million as of June 22. That represented a 66-percent drop from a net inflow of $2.4 billion registered during the same period last year. Gross investments fell 11.3 percent to $7.9 billion as of June 22 from $8.9 billion a year ago while capital withdrawals rose to $7.1 billion from $6.5 billion during the same period. The Philippine Stock Exchange index hit a record level this year, as both foreign and local investors placed their funds in local equities amid prospects of continuing growth in the country. The gross domestic product expanded 6.4 percent year-on-year in the first quarter, one of the fastest growth rates in the region. (Manila Standard)

FINANCIAL TRENDS

Stocks extend losses on bleak China trade report

The stock market retreated further following China's bleak trade report. The bellwether Philippine Stock Exchange index lost 0.45 percent or 23.46 points to 5,240.28. The broader all-share index slipped by 0.22 percent or 7.68 points to 3,482.82. Trading volume reached 1.62 billion shares worth P5.18 billion ($123.61 million) with 81 stocks declining, 76 advancing, and 47 unchanged. Profit taking was very selective and focused mostly on stocks belonging to the holding firm and the property sectors. (Philippine Star)

Peso advances on euro zone, exports news

The peso strengthened against the dollar yesterday as investors, reassured by euro zone finance ministers' decision to give Spain some leeway in its deficit and by a nearly 20% jump in Philippine exports in May, picked up risky assets. After losing 15.5 centavos last Monday, the local currency rebounded by eight-and-a-half centavos to settle at P41.86 per dollar yesterday against its P41.945-perdollar close the previous day (Business World)

INDUSTRY BUZZ

Vehicle sales up on improved supply, economy

Vehicle sales in June grew by 25 percent year on year on improved supply and favorable economy, the Chamber of Automotive Manufacturers of the Philippines (CAMPI) said in a statement. During the month, vehicle sales reached 13,697 units, up from the 10,935 cars sold in June 2011. The 25 percent year-on-year growth in number of units sold brought year-to-date industry sales to 72,874 units. In January to June 2011, CAMPI reported sales reached 69,782 units. Toyota Motor Philippines maintained its lead with a market share of 40 percent. Mitsubishi followed with 23 percent and Honda with 8 percent. (Philippine Daily Inquirer)

Moody's raises Nissan rating on growth prospects

Moody's has upgraded the long-term credit rating of Nissan Motor Co., saying that the automaker's line-up of new models and its global strategy should help sustain a strong financial performance. Moody's said Thursday that the rating for Nissan and its subsidiaries was raised to A3 from Baa1 with a stable outlook. It said Nissan's success in increasing its global market share and raising its profit margins were behind the upgrade. But it cautioned that the Japanese automaker faces an increasing competitive challenge. Other Japanese automakers and Nissan's U.S. rivals are also pursuing aggressive expansion in China, the world's biggest auto market. (Malaya Business Insight)

Audi CHANA CHEVROLET CHRYSLER DODGE FAW FOTON HYUNDAI JAGUAR Jeep LAMBORGHINI MASERATI Mercedes-Benz MINI PORSCHE RANGE ROVER SUBARU VOLVO