

DASHBOARD

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MACROECONOMIC SNAPSHOT

Growth, inflation may fall within gov't targets

Growth and inflation may fall within government expectations this year, but a still slow spending may cause a lower budget gap, a global investment bank said in a report. In the latest issue of the Asia Economics Monthly, Berlin-based Deutsche Bank sees the Philippine economy growing by 5.5 percent, inflation settling at 3.1 percent and National Government incurring a deficit equivalent to two percent of gross domestic product. The growth forecast fell in line with the government's five to six percent target, while inflation outlook hit the central bank's forecast for the year. The deficit projection, however, is narrower than the 2.6 percent deficit-to-GDP target goal. (The Philippine Star)

BIR, BOC 2013 collection targets raised

The inter-agency Development Budget Coordination Committee (DBCC) has increased the target collection of the national government's main collection agencies next year in a move to increase the Aquino administration's tax effort. The Bureau of Internal Revenue (BIR), where about two-thirds of the government's cash comes from, was given a target collection of P1.239 trillion, or an increase of P173 billion, or 16 percent, from this year's goal of P1.066 trillion. Meanwhile, the target of the Bureau of Customs (BOC), which accounts for about a fifth of the government revenues, reached P397 billion, an increase of P50 billion, or 14 percent, from this year's P347-billion goal. (BusinessMirror)

China's trade growth weakens amid economic slump

China's trade growth decelerated sharply in June as a slowdown in the world's second-largest economy deepened despite stimulus efforts. Import growth fell by half from May's level to 6.3 percent, data showed Tuesday, reflecting weak Chinese consumer and industrial demand. Export growth declined to 11.3 percent from May's 15.3 percent amid weakness in China's key European and U.S. markets. China's slowing demand for oil, iron ore and other foreign goods is bad news for economies that had been looking to relatively strong Chinese growth to help drive global sales. "The import slowdown was greater than expected," said Moody's Analytics economist Alastair Chan in a report. As for foreign demand, "it is increasingly clear that exports will not be much of a boost to China's economy for some time." China's economic growth has fallen to its lowest level since the 2008 global crisis due to anemic demand for exports and government efforts to cool overheating and inflation. (Philippine Daily Inquirer)

FINANCIAL TRENDS

PSEi declines for fourth trading session

Stocks closed lower for the fourth straight session on Wednesday, tracking markets abroad as investors drifted in sluggish trading due to the lack of firm leads. The Philippine Stock Exchange index dropped 0.09% or 4.84 points to close at 5,235.44, while the broader all-share index lost 0.30% or 10.36 points to finish at 3,472.46. (BusinessWorld)

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

The peso exchange rate closed lower at P41.875 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.86 the previous day. The weighted average rate depreciated to P41.883 from P41.875. Total volume amounted to \$690.99 million. (Manila Bulletin)

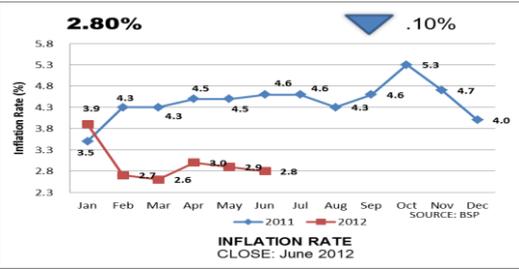
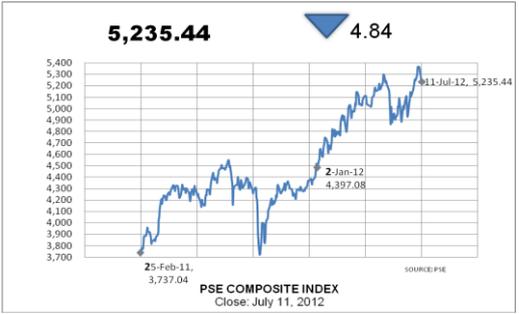
INDUSTRY BUZZ

Hyundai local sales up 23% in first semester

The local arm of Korean car maker Hyundai Motor Corp. saw sales rise by 23% in the first semester on the back of strong performance in the passenger car segment, a statement yesterday showed. Hyundai Asia Resources, Inc. said it sold 12,751 units from January to June versus 10,355 in the same period last year. Passenger car sales increased by 66% to 7,831 units in the first half. In June alone, HARI reported a total of 2,356 units sold, up by 2.7% from 2,293 units in the same month in 2011. Growth last month reversed the 8% sales decline the Korean firm registered in May to 1,187 units. The increase in June sales was reportedly driven by a 26% growth in light commercial vehicles to 1,108 units, HARI said in the statement. (BusinessWorld)

DTI still optimistic on vehicle exports to region

The Department of Trade and Industry is eyeing the export of cars by the country to the region despite the decision of Ford Philippines, the only exporting company in the country, to halt its assembly operations. Speaking to reporters after the meeting with the National Price Coordinating Council on Tuesday, Trade Secretary Gregory Domingo said that the DTI will still pursue car exports and is developing a roadmap to provide an environment conducive for regional auto production. "Our ambition cannot be to provide only for the domestic market, our ambition always has to be able to export regionally," he added. (The Manila Times)



	Wednesday, July 11 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	7.77%	7.80%	7.79%

