

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Latest growth targets 'on the optimistic side'

Analysts have cast doubt on growth targets the Aquino administration has set for the remainder of its term, describing these as too bullish given uncertainties. The government earlier this week announced gross domestic product (GDP) growth projections of 5-6% for this year, 6-7% for 2013, 6.5-7.5% for 2014, 7-8% for 2015 and 7.5-8.5% for 2016. Based on this program the Philippines could achieve its highest growth rate yet, exceeding the record 7.6% set in 2010 as the country rebounded from a global economic crisis. (BusinessWorld)

### Upbeat market to boost electronic exports

Electronic exports performance is seen to improve in the coming months despite the slight drop in recent earnings, the National Economic and Development Authority (NEDA) revealed on Wednesday. According to NEDA Director General Arsenio Balisacan, there still appears to be good prospects for growth in the electronics sector, as indicated by improving book-to-bill ratio in Japan and a parity of above 1.0 in the United States of America. NEDA explained that a book-to-bill ratio or parity of above 1.0 indicates an upbeat market, as demand or bookings outpace supply or billings. On the other hand, a parity of less than 1.0 suggests weak demand. (Manila Times)

### Oil price drops could continue in the short term

Oil prices could continue a downtrend, albeit only for the short term, given continued global uncertainties. Tensions in the Middle East and the weakness of the European economy are "cancelling each other out and keeping market prices low," Platts Global Director for Market Reporting Jorge Montepeque said at a forum. Prices, he said, are expected to snap back once Europe formally signs and begins bailouts expected to increase the bloc's demand for oil and put pressure on supply. (BusinessWorld)

## FINANCIAL TRENDS

### Philippine stocks fall amid China's slowing economy

Philippine stocks declined yesterday amid speculation that China, the region's economic engine, may announce gross domestic product (GDP) slowed in the second quarter. The Philippine Stock Exchange index (PSEi) tumbled 30.25 points to settle at 5,205.19 while the broader all-share index slid by 0.29 percent or 10.17 points to 3,462.29. Most sectoral indices suffered losses and closed in negative territory, led by holding firms that declined 53.05 points to 4,430.21 and financials that retreated 11.82 points to 1,291.50. Services shed 6.34 points to 1,771.37, while mining and oil lost 79.66 points to 24,042.70. (Philippine Star)

### Peso falls over slow global growth forecasts

The peso fell on Wednesday as concerns over global economic growth dampened appetite for emerging market assets. The local currency closed at 41.875 against the US dollar, down by 1.5 centavos from the previous day's finish of 41.86:\$1. Intraday high hit 41.84:\$1, while intraday low settled at 41.935:\$1. Volume of trade amounted to \$690.99 million from \$1.02 billion previously. The depreciation of the peso and other key Asian currencies came amid estimates that China might have slowed down in the second quarter compared with its 8.1-percent growth in the first quarter. (Philippine Daily Inquirer)

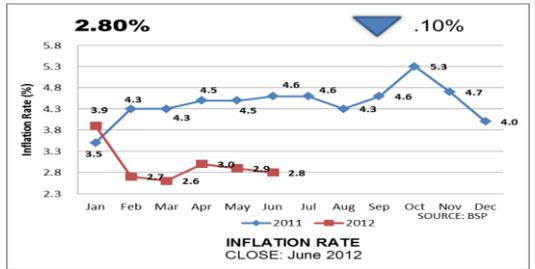
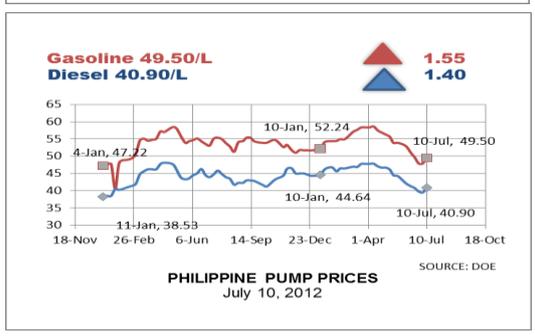
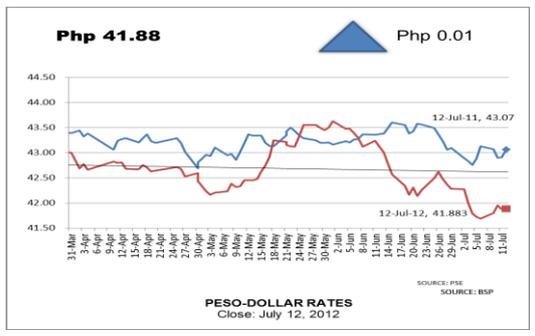
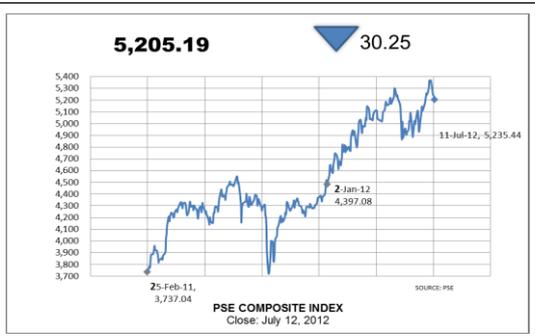
## INDUSTRY BUZZ

### Chinese Vehicle Sales Show Modest Growth

China's auto sales rose modestly in the first half, providing further evidence that economic growth is slowing and prompting an industry group to warn against further sales restrictions on cars. Still, a number of foreign auto makers have reported healthy sales growth, suggesting that China's home grown auto brands continue to bear the brunt of the slowdown in the world's largest auto market. Total motor-vehicle sales, which include passenger and commercial vehicles, rose 2.9% from last year's first half to 9.6 million vehicles, the China Association of Automobile Manufacturers said Wednesday. Passenger-vehicles sales rose 7.1% to 7.61 million vehicles. (Wall Street Journal)

### Mitsubishi to sell vehicle plant for 1 euro

Japan's Mitsubishi Motors said Wednesday that it would sell its sole European plant to a Dutch industrial group for one euro in a deal that calls on the buyer to keep 1,500 jobs at the facility. The automaker had earlier this year announced plans to end production at the factory in the Southern Netherlands by the end of the year, blaming a difficult operating environment in the debt-hit continent. In a statement Wednesday, the Japanese firm said it would sell Netherlands Car BV, or NedCar, to VDL Groep, which makes buses and a range of industrial products, for a token one euro (\$1.20) in exchange for keeping the plant running. (BusinessWorld)



|                          | Thursday, July 12 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%    |

