



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### S&P warns of uncertainties

Economic growth could fall below government expectations from 2012 to 2014, Standard & Poor's (S&P) yesterday said, as continuing volatility in Europe and the United States drags down exports and investments. In its base case scenario of slow growth this year and a recovery for Europe and the US in 2013 and 2014, the Philippines is estimated to grow by 4.3%, 4.5% and 4.8%, respectively. These projections fall short of the government's gross domestic product (GDP) growth goals of 5-6% this year, 6-7% in 2013 and 6.5-7.5% in 2014. (BusinessWorld)

### BIR finally exceeded collection target in June

The Bureau of Internal Revenue (BIR) collected P81.34 billion in June, finally exceeding its target after failing to do so for months. According to BIR data released Thursday, the June collection was 7.8 percent, or P5.94 billion, higher than the P75.4-billion goal set for that month. Also, last month's yield was 21.6 percent, or P14.4 billion, higher than the P66.9 billion collected in the same month last year. With the collections in June, total tax revenue for the first semester reached P521.15 billion. This meant that the bureau missed its P535.36-billion target by 2.6 percent, or P14.2 billion. Even then, the six-month collection was 13.8 percent, or P63.16 billion, higher than the P458 billion posted in the same period of 2011. (Philippine Daily Inquirer)

### Southeast is Asia's haven as China, India stumble

Little more than a dozen years after the region's crippling financial crisis, Southeast Asia is looking more a safe haven than a risky bet, with foreign investors souring on China and India and pouring money into markets proving resilient to the global gloom. Short-term investors in Southeast Asian stocks and bonds are being overtaken by those with a longer-term horizon, signalling growing confidence in a region of 600 million people that boasts a rapidly growing middle-class. (BusinessWorld)

## FINANCIAL TRENDS

### Stocks seen trading in tight range this week

Local stocks are seen trading in a tight range this week to allow consolidation after recently hitting new record highs especially as fresh global growth jitters arise. Last week, the main-share Philippine Stock Exchange index dropped 2.8 percent week on week to finish at 5,214.52 on Friday. The mining/oil sub-index took the worst beating last week (-5.37 percent) following the issuance of a mining executive order that is seen eating into miners' earnings. Banco de Oro Unibank chief strategist Jonathan Ravelas said investors last week capitalized on their gains from the previous week's rally but noted that some bargain-hunting emerged at the end of the week, causing the market to close slightly off the week's low. (Philippine Daily Inquirer)

### Peso rise as Europe worries ease

The peso reacted positively in the foreign market to the outcome of the European Union summit, enabling the peso to touch the 41 to \$1 mark yesterday before retreating a little bit and closed 10 centavos higher from Friday. The local unit closed at 42.020 to the dollar against its 42.120 close last June 29, according to the Philippine Dealing & Exchange Corp. The peso soared as high as 41.950 to \$1 during the day. (Philippine Star)

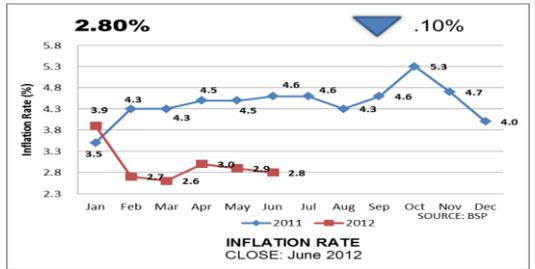
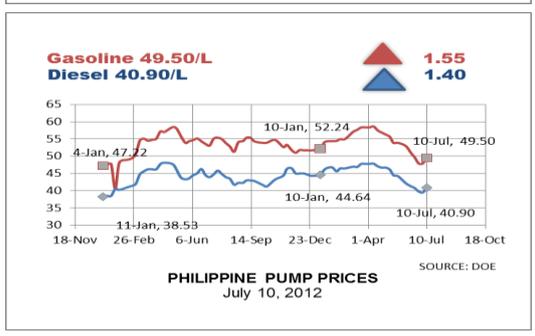
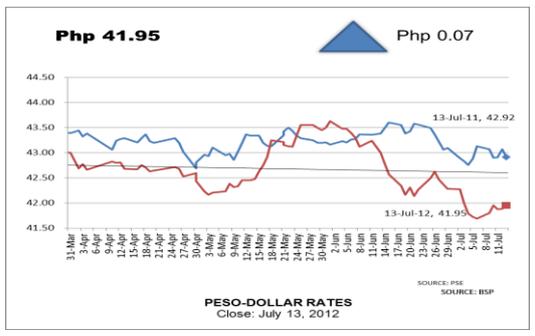
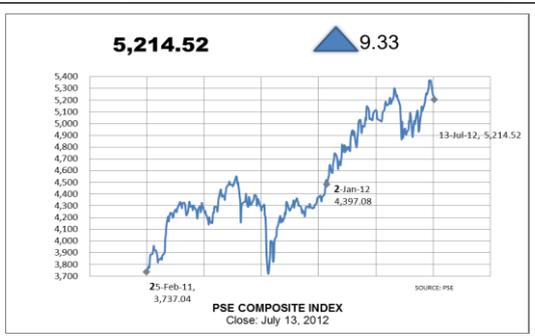
## INDUSTRY BUZZ

### PH can drive a 'sports car' rather than a 'jeepney' economy

The Philippines can prove that it drives a "sports car" rather than a "jeepney" economy by embarking on further interest rate cuts and a more aggressive government spending given the challenging global environment, a Bank of the Philippine Islands research said. The BPI research favored a fresh policy interest rate cut to a new record low of 3.75 percent or lower, which was in contrast to the mainstream view that the BSP would likely keep its overnight borrowing rate steady at 4.5 percent for the rest of the year. The BSP has slashed its key rates by 50 basis points earlier this year. On the other hand, it noted that Philippine economic growth prior to four contraction episodes in the past was always funded through leverage, which ultimately led to a sizeable build-up in external liabilities and the economy's susceptibility to sudden stops in foreign capital flows. (Philippine Daily Inquirer)

### Auto Tariff, Export Policies Pushed

An automotive tariff policy and an export credit program on top of the existing incentives granted to the industry have been identified as crucial government interventions to support the objectives set under the Philippine Automotive Industry roadmap. The proposed Philippine Automotive industry roadmap "Vision 2022" seeks to transform the country into a competitive auto manufacturing hub and exporter of both completely built up packs and automotive parts and components. (Manila Bulletin)



	Friday, July 13 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%

