



# DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

July 17, 2012

Volume 4 No. 3

## MACROECONOMIC SNAPSHOT

### Consumer loans surge as banks extend more housing, auto loans

Consumer loans extended by universal, commercial and thrift banks rose by almost a fifth in the first quarter from year-ago levels as people sought financing for homes and cars and made more use of their credit cards, the Bangko Sentral ng Pilipinas (BSP) reported over the weekend. In a statement, the central bank said consumer loans summed up to P563.839 billion as of March, 17% higher compared to the same period last year. Around 41% of these borrowings were in the form of residential real estate loans; 26%, automobile loans; 23%, credit card receivables; 10%, other consumer loans. Real estate loans climbed by 21% to P232.570 billion in the first quarter from P192.065 billion last year, fuelled by a real estate boom. Automobile loans, including those made by banks' non-bank subsidiaries, went up by 17% to P144.838 billion as of end-March from P124.222 billion last year. Credit card receivables increased by 11% to P131.870 billion from P118.772 billion last year while other consumer loans amounted to P54.560 billion, reflecting an 18% increase from last year's P46.092 billion. (BusinessWorld)

### NEDA chief pushes revival of local industries

The country's socioeconomic planning chief is pushing for the revival of local industries, saying that this is a key to achieving the Aquino administration's economic growth target of 8.5 percent by 2016. National Economic and Development Authority (NEDA) Director General Arsenio Balisacan said that at present, Philippine economy is heavily reliant on the services industry. He said what should happen is the revival of local industries, which have been killed by high power costs and some of the country's free trade agreements. "Many of these jobs could be opened up by a growing industrial sector. That's why we want to see the industry revived because if you look at the experiences of our neighbors, it is the generation of jobs that absorb many of these unskilled workers in rural areas," Balisacan told reporters. (The Philippine Star)

### Exporters weighing peso hit

Non-electronics goods may not be able to take up the slack in the country's top export depending on the impact of a stronger peso, an industry leader said. "The impact of the stronger peso was not seen in May, but if June is really hit then it could certainly impact our targets for the year," Philippine Exporters Confederation, Inc. (Philexport) President Sergio R. Ortiz-Luis, Jr. told BusinessWorld. "A stronger peso is much more difficult for indigenous exports since there is no import component," he added. (BusinessWorld)

## FINANCIAL TRENDS

### Local shares close 1.16% up

Local shares closed higher trade yesterday inspired by gains in the stock markets in the region that were inspired by gains in Wall Street on Friday. The benchmark PSEi rose 83.47 points or 1.60 percent to close at 5,297.99. A total of 1.29 billion shares were traded with 96 issues gaining, 58 declining and 39 unchanged. (Manila Bulletin)

### Peso rises on China plan to stimulate economy

The peso inched up on the first trading day of the week as reports that China may implement stimulus measures boosted appetite of investors for emerging-market securities. The local currency closed at 41.86 against the US dollar, up by 12 centavos from Friday's finish of 41.98:\$1. Intraday high hit 41.85:\$1, while intraday low settled at 41.94:\$1. Volume of trade amounted to \$870.14 million from \$1.018 billion previously. (Philippine Daily Inquirer)

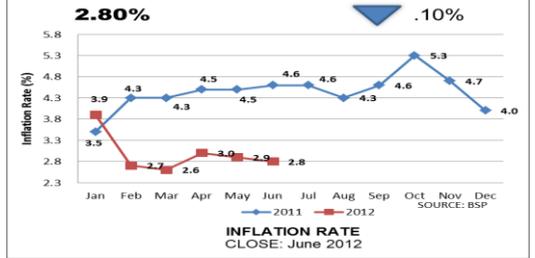
## INDUSTRY BUZZ

### Honda says industry sales to rise in 2012

The local arm of Honda Motor Co. Ltd. expects industry wide sales to post a double-digit growth this year on strong consumer spending and sustained increases in overseas Filipino workers' remittances, an official yesterday said. "Everything shows a positive sign. The car market will increase by double digits for 2012," Honda Cars Philippines Inc. President and General Manager Tatsuya Natsume told reporters. In terms of Honda's sales, Mr. Natsume said they are expecting to bounce back to 2010 levels and hit 16,000 units in sales. (BusinessWorld)

### Ford's European car sales slump 10% in H1

Ford's western European sales slumped 10% in the first half of 2012 as it opted not to match heavy discounting by rivals, the second largest US automaker said on Friday. The sales decline hit 16.1% in June, year-on-year, in Ford's traditional 19 western European markets. French, Italian and Spanish car sales have all tumbled in the first half, while those in Germany remained flat, rounding off a gloomy period for Europe's auto industry as it battles government austerity and economic downturn. "The economic environment remains very difficult", Roelant de Waard, Ford of Europe's sales chief, said in a statement. He said the launch of new products could give the group sales momentum in the second half of the year. (BusinessWorld)



	Monday, July 16 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%

