

DASHBOARD

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MACROECONOMIC SNAPSHOT

Worse' Q2 in 2013 for ASEAN-5

This year's growth forecast for Southeast Asia has been retained but next year's outlook was cut by the International Monetary Fund (IMF), which noted a "worse" second quarter that is expected to slow global growth throughout the year. The ASEAN-5 (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) will grow by 5.4 percent this year, the IMF said, unchanged from its last forecast in April. A 2013 growth outlook of 6.1 percent was also provided for the region in the latest World Economic Outlook Update (WEO) released yesterday. This figure, however, was slower than the 6.2 percent predicted three months ago. No latest projections were given for the Philippines alone. Last April, the IMF said it expects the country's economy to grow 4.2 percent this year and 4.7 percent in 2013. (Philippine Star)

Economists less bullish as early 2012 gains wither

Economists say the sales and profit gains of early this year are disappearing, and they are increasingly pessimistic about short-term growth. They also are gloomy because of the potential impact in the U.S. from Europe's financial crisis, the possible expiration of the Bush tax cuts in December, and the prospect of major cuts in federal spending. A survey by the National Association for Business Economics released Monday also found less evidence of hiring, confirming the trend in recent monthly jobs reports from the government. In the quarterly survey of 67 economists who work for companies or industry trade groups, 22 percent reported rising employment in July, down from about 30 percent in the last three surveys and 42 percent a year ago. On the positive side, only 9 percent said employment was falling. The rest said it was unchanged. (Business Mirror)

IMF cuts outlook for global growth

The International Monetary Fund cut its outlook for global economic growth and urged policy makers to take bolder actions to bolster the faltering recovery. The fund forecast the world economy will expand just 3.5% this year, a slight downgrade from its estimate three months ago and the past decade's slowest annual projection apart from 2009, after the financial crisis struck. The IMF called on policy makers in Europe, the U.S. and emerging economies to combat the slowdown, citing mounting risks from the euro-zone, debt crisis and U.S. budget battles. (Wall Street Journal)

FINANCIAL TRENDS

PSEi slides on US data, IMF forecast cuts

Stocks closed lower on Tuesday, with investors succumbing to profit taking after the release of discouraging US data coupled with weaker global growth forecasts by the International Monetary Fund (IMF). The Philippine Stock Exchange index (PSEi) slid by 0.24% or 12.87 points to close at 5,285.12, while the broader all-share index fell by 0.27% or 9.54 points to 3,495.66. (BusinessWorld)

Peso rises on reports of US Federal Reserve's new moves

The peso rose on Tuesday amid speculations the US Federal Reserve may implement another round of stimulus measures to boost the US economy, which continues to struggle with sluggish growth. The local currency closed at 41.725 against the US dollar, up by 13.5 centavos from the previous day's finish of 41.86:\$1. (Philippine Daily Inquirer)

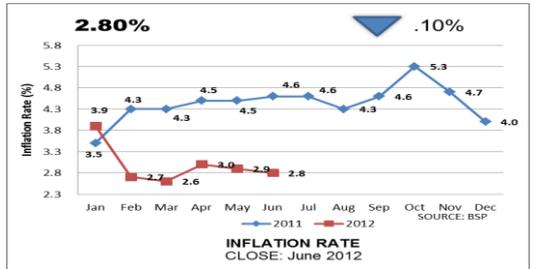
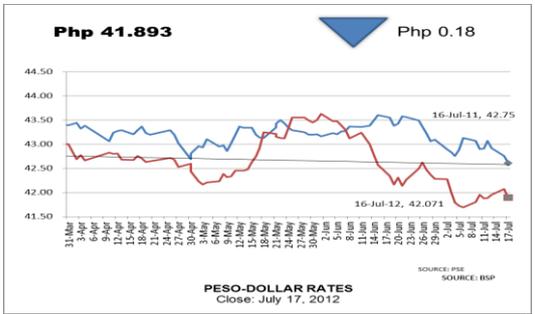
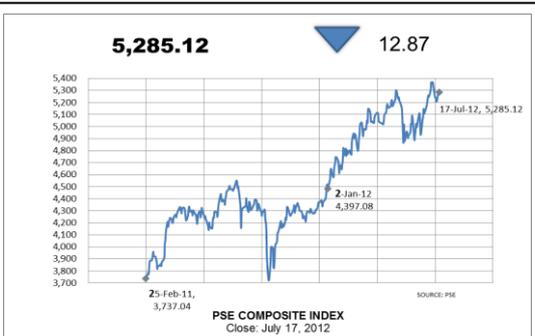
INDUSTRY BUZZ

China's car sales rise 9% in June

China's auto sales rose 9 percent in June despite a slowing economy as buyers rushed to beat possible limits on car registrations aimed at curbing traffic. Automakers sold 1.58 million cars, trucks and buses during the month, the China Automobile Manufacturers Association, a government-sanctioned industry group said. The figures are a bright spot in a Chinese economy that has seen industrial activity and retail sales growth slow in recent months. Automakers are looking to China, the biggest market by number of vehicles sold, to help drive weak global demand. (Malaya Business Insight)

Jaguar, Landrover to launch new models

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)



	Tuesday, July 17 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%

