

DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

July 24, 2012

Volume 4 No. 8

MACROECONOMIC SNAPSHOT

BSP expects stable debt ratios

The central bank is confident that the country's external debt indicators will remain at manageable levels and should boost demand for Philippine debt instruments, especially with improved credit ratings. According to a Bangko Sentral ng Pilipinas report, the Early Warning System (EWS), which it uses for assessing debt sustainability, is projected to remain within expected levels in the next five years. The EWS threshold for foreign loans to gross domestic product ratio is expected to remain within contained levels based on the BSP's projected nominal GDP and the country's outstanding loans. (Manila Bulletin)

8 PPP projects worth over \$1B up for bidding, rollout in

Around eight more public-private partnership (PPP) projects worth at least \$1.12 billion may be ready for either bidding or rollout by the end of 2012, according to data obtained from the PPP Center. In a document, the PPP Center stated that there are three projects that are awaiting approval from the National Economic and Development Authority (Neda) Board. Once approved, the bidding process for these projects may already start. Another five projects may be rolled out in the second half of the year. This means that these projects may already be submitted for evaluation of the Investment Coordination Committee (ICC) this year. The three projects that are awaiting Neda Board approval are the \$128.3-million Modernization of Philippine Orthopedic Center; the \$11.3-million Vaccine Self-Sufficiency Project Phase II; and the \$468.8-million Cavite-Laguna Expressway. (BusinessMirror)

FTAs not cause of trade boom in Asia, says ADB

Free trade agreements cannot be credited for the increase in intra-Asian trade as they are often restrictive in scope and difficult to implement, the ADB said. Despite the fact that there were 190 FTAs involving at least one Asian country at the last count in January, only a small percentage of the region's exporters and importers are using the agreements, the ADB said. About 55 percent of Asia's total trade was done within the region in 2011, up from 45 percent 10 years ago, he said, adding that the increase was mainly due to "unilateral liberalisation" by economies. It was driven by market conditions as Asian countries traded more with each other as the eurozone debt crisis and feeble US economic recovery curbed demand for the region's exports. (Manila Bulletin)

FINANCIAL TRENDS

PSEi drops below 5,200 on Spanish woes

Stocks closed lower on Monday as Spanish debt concerns outweighed buoyant expectations of the President's State of the Nation Address (SONA). The Philippine Stock Exchange index (PSEi) slid by 1.37% or 71.49 points to close at 5,139.40, reverting back to below the 5,200 line. The broader all-share index fell by 0.99% or 34.18 points to 3,424.84. (BusinessWorld)

Peso retreats to 42-to-dollar range

The peso fell back to the 42-to-a-dollar territory on the first trading day of the week as renewed concerns over a potential default by Greece and speculations of a further slowdown of China increased risk aversion. The local currency closed at 42.06 against the US dollar on Monday, down by 20 centavos from Friday's finish of 41.86:\$1. Intraday high hit 41.96:\$1, while intraday low settled at 42.1:\$1. Volume of trade amounted to \$995.1 million from \$860.53 million previously. (Philippine Daily Inquirer)

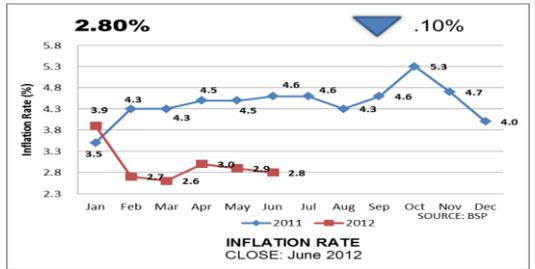
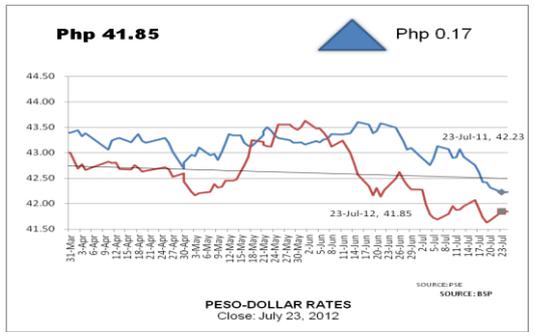
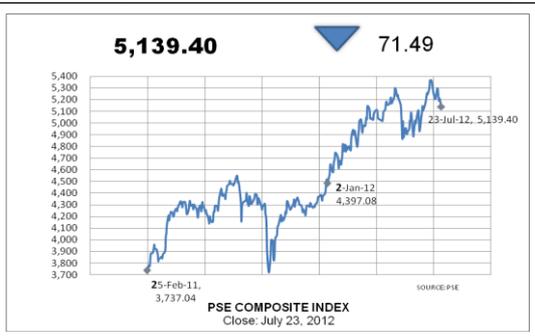
INDUSTRY BUZZ

Japan auto group plays down EU fears over imports

The French-Japanese auto alliance of Renault and Nissan is investing \$160 million in its South Korean unit to produce Nissan-branded vehicles mostly destined for the United States, taking advantage of the South Korea-US free trade agreement and a more favorable exchange rate. The investment, announced Friday, will help utilize unused capacity at Renault Samsung Motors' Busan plant, which has cut production to 180,000 vehicles a year, well below its full capacity of 300,000 vehicles, as sales slumped at home and abroad. The plant will use the investment to annually produce 80,000 next-generation Nissan Rogue crossover sport-utility vehicles starting in 2014. They will be shipped to North America and a few Asian countries, said Nissan Motor Co. chairman Carlos Ghosn. (BusinessMirror)

Hyundai distributor goes high-end

Hyundai Asia Resources Inc. (HARI) is shifting gears for its entry to the high-end market, according to president and chief executive officer Ma. Fe Perez-Agudo. The company will bring in three more luxury models -Grandeur, Azera and Equus- in addition to Sonata which is currently available in the Philippines. "We will penetrate the high-end market," said Agudo. HARI would launch next month the all-new Santa Fe. Agudo said sales this year may reach as high as 30,000 units or 25 percent more than last year, based on the good numbers for the first semester. (Malaya Business Insight)



	Monday, July 23 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%

