



DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

July 26, 2012

Volume 4 No. 10

MACROECONOMIC SNAPSHOT

Inflation seen falling to 2.6% this month

Inflation could fall to as much as 2.6 percent this month, giving monetary authorities space to adjust key rates, if necessary, to make sure yearend target is achieved, the Bangko Sentral ng Pilipinas (BSP) said. BSP Governor Amando Tetangco Jr. told reporters inflation for July will likely fall between 2.6 and 3.5 percent, similar from what was seen in June, when inflation slowed to 2.8 percent. A rise in oil and electricity prices will be stabilized by a stronger peso and a decline in price of cooking gas, he explained. (The Philippine Star)

DBM eyes unused allocations

DBM issued National Budget Circular 541, dated July 18, providing guidelines for the return of funds unused as of June 30. These will then be pooled to fund faster-moving priority projects to ensure "maximum utilization of available allotments." "For the first five months, the national government has not met its spending targets. In order to accelerate spending and sustain fiscal targets during the year, expenditure measures have to be implemented to optimize the utilization of available resources," the issuance read. While the DBM already conducts consultations with agencies to address bottlenecks in project implementation -- both in their internal procedures and outside their spheres of control -- some have continued to post low levels of disbursement. As a result, President Benigno S.C. Aquino III released a directive last month, authorizing the withdrawal of the "substantial unobligated allotments." (BusinessWorld)

Income tax holidays, other perks may go

For the first time, the departments of trade and of finance have agreed to work hand in hand to stop double dipping of incentives, rationalize the granting of perks to industries and eliminate income tax holidays. Trade Secretary Gregory Domingo said that a new bill will be prepared setting uniform incentives for all industries. To be corrected are the perks given by different government agencies that criss-cross industries. While income tax holidays will remain in place, this type of incentive will be replaced. The uniform set of incentives, Domingo said, would plug the loopholes and, more importantly, stop double-dipping — a case of registered corporations enjoying tax breaks twice from two incentive-giving offices. The bill to be sponsored by the Department of Trade and Industry and the Department of Finance and forwarded to both Houses of Congress will constitute the rationalization of incentives under the Omnibus Investments Code or EO 226 which is administered by the Board of Investments. (Malaya Business Insight)

FINANCIAL TRENDS

PSEi edges sideways amid low turnover

Stocks closed flat amid weak participation by investors, who continued to search for leads. The Philippine Stock Exchange index (PSEi) inched up by 0.04% or 2.06 points to close at 5,161.80, while the broader all-share index added 0.10% or 3.57 points to 3,436.33. (BusinessWorld)

Peso slides on eurozone, China concerns

The peso fell on Wednesday over renewed concerns over the deepening debt crisis of the eurozone and projections of a further slowdown of China. The local currency closed at 42.185 against the US dollar, down by 14 centavos from the previous day's finish of 42.045:\$1. (Philippine Daily Inquirer)

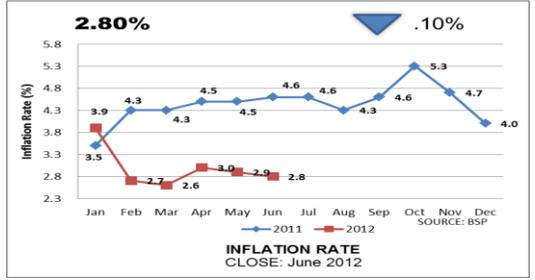
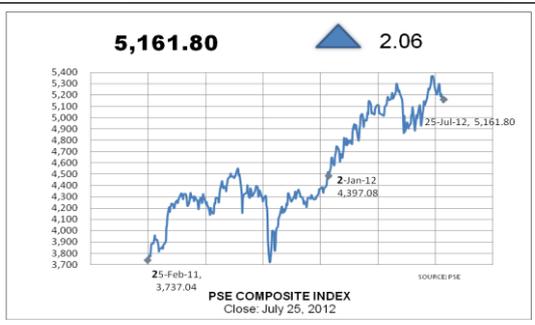
INDUSTRY BUZZ

Mitsubishi Motors Philippines bullish for the 2H 2012

In spite of the supply constraints experienced during the start of this year, Mitsubishi Motors Philippines Corp. (MMPC) registered total sales of 16,956 units in the first half of 2012 representing a modest sales growth of 0.5 percent compared to the same period last year. With these numbers, Mitsubishi remains to be the second bestselling brand in the country as it cornered 23.3 percent market share based on consolidated reports of the Chamber of Automotive Manufacturers of the Philippines Inc. and Truck Manufacturers Association. (The Philippine Star)

PSA Peugeot Citroën wins 2012 International Engine of the Year Award

The prestigious 2012 International Engine of the Year Award, presented by Engine Technology International publication, was once again won by the 1.6-liter, four-cylinder, direct-injection turbo gasoline engine developed in cooperation by PSA Peugeot Citroën and BMW Group. The motor took the award in the 1.4- to 1.8-liter category. The award-winning all-aluminum engine, offered on the Peugeot RCZ, 308 CC and 308 GTI and the Citroën DS4 and DS5, delivers a turbocharged output of 147 kw and peak torque of 275 Nm, with carbon emissions of 155g/km on the Peugeot RCZ and Citroën DS5. The 1.6-liter version caps an entire family of petrol powerplants, ranging from 1.4 to 1.6 liters and from 95 hp to 200 hp. Equipped with the latest technologies, including direct injection, a twin-scroll turbocharger, variable valve timing, a volume flow-controlled oil pump and an on-demand water pump. (The Philippine Star)



	Wednesday, July 25 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	7.73%	7.77%	7.79%

