

DASHBOARD

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MACROECONOMIC SNAPSHOT

Strong Q2 growth seen

The country's economic performance in the second quarter of the year likely sustained the strong growth recorded in the first three months of 2012, Budget Secretary Florencio Abad said over the weekend. He said that because of the government's measures to improve spending in the second quarter, economic growth during the April to June period likely remained strong. In the first quarter of the year, the Philippine economy, as measured by gross domestic product (GDP) grew by 6.4 percent, surpassing analysts' expectations and beating year-ago figures of 4.9 percent. "Our spending in the second quarter is 1.5 percent more than in the first quarter when the growth was 6.4 percent. That means the momentum continues to be there," Abad said. He said that it is usually in the second quarter when spending generates more momentum. This year, the economy is projected to grow by five percent to six percent and accelerate to six percent to seven percent in 2013. (Philippine Star)

Jobless rate down in Q1

The strong performance of the Philippine economy in the first quarter of 2012 has lowered the rate of unemployment in the country, according to a recent report of the World Bank's Human Development Network. The Job Trends report said the Philippines was one of the East Asian countries that continued to experience improved employment and wage growth. "Unlike in China, strong growth in Indonesia and the Philippines did reduce unemployment," the report said. The country's gross domestic product grew 6.4 percent in the first quarter of 2012 from 4.6 percent a year ago. According to the report, the employment growth in the first quarter of 2012 was 3 percent, faster than the 0.8 percent a year ago. (Philippine Daily Inquirer)

Government spends P362.2 billion for debt payments in H1

Government debt payments declined to P362.188 billion in the first half of the year from a year-ago level, latest data from the Bureau of the Treasury (BTr) showed. For June alone, the government spent P24.996 billion to service its debt, higher than last year's P23.778 billion. Of the total, the government spent P274.269 billion for principal payments and P134.502 billion for interest. Data showed that the government spent more for the interest on both domestic and foreign debt, with P150.010 billion paid in January to June compared to last year's P134.502. (Manila Bulletin)

FINANCIAL TRENDS

Index surges on hopes of ECB action, earnings results

Philippine stocks rose yesterday as expectations remained high for strong European Central Bank action to stem the continent's chronic debt crisis. Sentiment was also helped by a broad-based rally on favorable corporate earnings reports from blue chip stocks Manila Electric Co. and SM Prime Holdings Inc. At the Philippine Stock Exchange, the composite index gained 58.35 points or 1.12 percent to close at 5,277.90. All sub-indices finished in the green with the holding firms, property, financials, and mining and oil counters rising by at least 1.17 percent. (The Philippine Star)

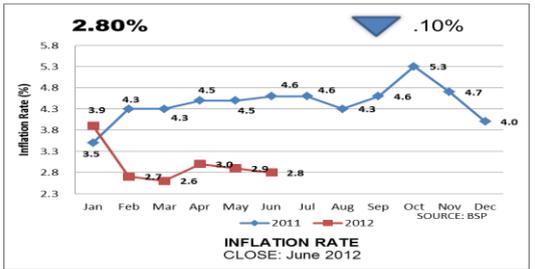
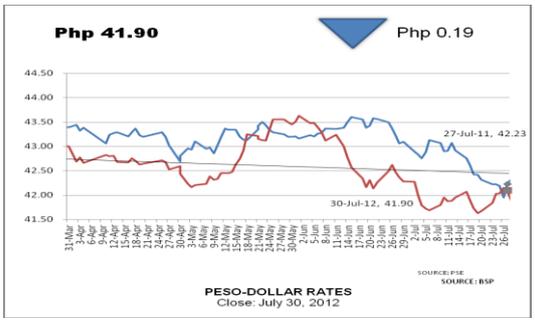
P/\$ rate closes at P41.93/\$1

The peso exchange rate closed lower at P41.93 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.90 last Friday. The weighted average rate appreciated to P41.907 from P41.934. Total volume amounted to \$985.10 million. (Manila Bulletin)

INDUSTRY BUZZ

Ford: Truck to Use Aluminum in Place of Steel

In this suburb just west of Detroit, Ford Motor Co. is working on one of the biggest gambles in its 108-year history: a pickup truck with a largely aluminum body. The radical redesign will help meet tougher federal fuel-economy targets now starting to have wide-ranging effects on Detroit's auto makers. But Ford will have to overcome a host of manufacturing obstacles, plus convince die-hard pickup buyers that aluminum is as tough as steel. Ford is hoping the switch to the lighter metal will cut the weight of its F-150 truck by about 700 pounds, according to Ford executives familiar with the company's plans. That is roughly a 15% reduction for the F-150, which is the company's most popular pickup in the U.S., favored by farmers and suburbanites alike. Such a reduction would enable Ford's trucks to go farther on a gallon of gasoline, and open the door to other changes, such as the use of smaller engines, that can further boost fuel economy. Along with the aluminum makeover, the new F-150 also is getting a more muscular look, according to one Ford designer. (Wall Street Journal)



	Friday, July 27 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%

