

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Growth seen reaching 5.3% this year

The Philippines is expected to post 5.3% economic growth this year, the Institute of International Finance (IIF) said in a report, bucking declines forecast across the region. "[A] pickup in government spending is helping spur domestic demand, while consumption is being buoyed by rising workers' remittances so that real GDP (gross domestic product) should rise 5.3% in 2012," the IIF said in its Global Economic Monitor for June-July 2012. The forecast by the organization of global financial institutions is in line with the Philippine government's target of 5-6% GDP growth. From last year's disappointing 3.9% result, first quarter growth was a surprisingly strong 6.4%, buoyed by increased government spending and a recovery for exports. Other Asian economies, meanwhile, are expected by the IIF to go the other way and post lower growth rates this year. (Business World)

### P26-B fund for infra projects created

The Government Service Insurance System (GSIS), the Asian Development Bank (ADB) and two other international financial institutions have created a \$625-million (P26.209-billion) fund to finance various infrastructure projects of the government. "As the largest infrastructure fund ever assembled for the Philippines, this fund is envisioned to create more jobs for our people and put the country on the path of sustained and higher level of inclusive economic growth," GSIS President and General Manager Robert G. Vergara said in a briefing at the ADB Headquarters on Tuesday. (Business Mirror)

### IMF Predicts Euro Crisis Resolution Will Be Prolonged

The International Monetary Fund said today that the euro-area debt crisis has exacerbated global financial instability and an orderly adjustment process is likely to be prolonged and costly. "Unsustainably large intra-euro area imbalances were part of the global boom-bust cycle, and the failure to resolve the euro-area crisis is causing heightened stresses that are spilling over to other countries," the IMF said. The Washington-based IMF's assessment came today in a pilot report intended to make external monitoring more effective. The IMF announced changes to its surveillance of members' economies to better account for the effects of their domestic and financial policies on other countries. (Business Mirror)

## FINANCIAL TRENDS

### China's weak manufacturing figures dampen Phl stocks

Asian markets including the Philippines were down yesterday as China's manufacturing slowed despite government stimulus efforts. Global markets have been buoyant since last Thursday on hopes that policymakers will back powerful new measures to battle Europe's debt crisis. The main composite index slipped 8.94 points to close at 5,298.72. Sectoral indices closed mixed, with laggards led by mining and oil that dropped 272.48 points to 23,406.61. Holding firms declined 49.88 points to 4,427.90, while industrial dipped 27.76 points to 7,878.06. (Philippine Star)

### P/\$ rate closes at P41.77/\$1

The peso exchange rate closed lower at P41.765 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.72 the previous day. The weighted average rate appreciated P41.776 a dollar from P41.833. Total volume amounted to \$821.470 million (Manila Bulletin)

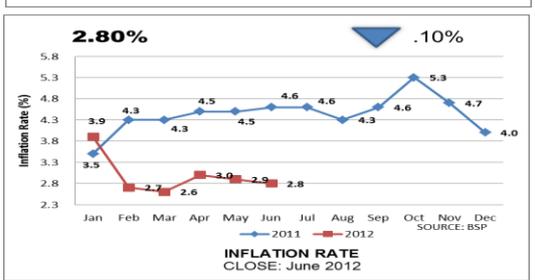
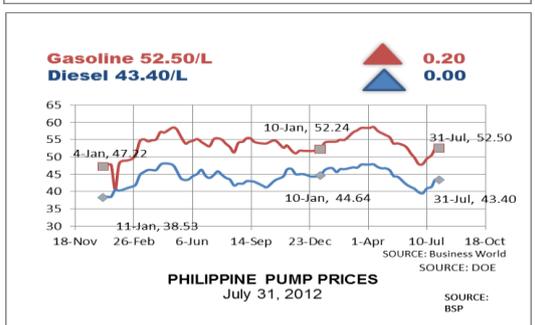
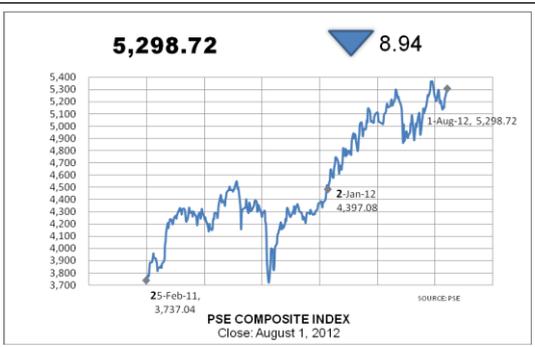
## INDUSTRY BUZZ

### Isuzu records 15% increase in local car sales

Automotive firm Isuzu Philippines Corp. saw its first-half sales rise by double digits due to reported strengthening of the economy and higher spending power. "Our sales as of the end of June reached 6,700 which is a 15% increase year-on-year and was really buoyed by higher spending power," Arthur A. Balmadrid, Isuzu Philippines vice-president for the corporate business division, told reporters on the sidelines of celebrations of the firm's 15th year. The firm sold 5,769 units from January to June in 2011. (Business World)

### Honda Profit Jumps as output revives

Honda Motor Co. said Tuesday it is on track to meet its profit forecast this year—and boost U.S. market share above 10%—despite a strengthening of the yen and losses in Europe. The No. 3 Japanese carmaker by volume reported a more than four-fold profit gain on the year for the three months through June, reflecting a rebound in output after last year's earthquake and tsunami in Japan. The first-quarter results account for 28% of Honda's full-year profit projection, and put it on track to achieve an estimate for a doubling of net profit to 470 billion yen (\$6 billion) in the fiscal year through next March. (Wall Street Journal)



	Tuesday, July 31 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%

