

DASHBOARD

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MACROECONOMIC SNAPSHOT

Economic planner sees Q2 growth 'close' to 6.4%

The economy in the second quarter likely grew at a pace close to the blistering 6.4% registered from January to March, a Cabinet official said yesterday. "For the second quarter, I think we should be close to the performance in the first quarter. Whether higher or lower, I cannot say, but it should be close," Socioeconomic Planning Secretary Arsenio M. Balisacan told reporters at the sidelines of the 2013 national budget presentation at the House of Representatives. Exports have rebounded, he noted, hitting a 17-month high of \$4.931 billion in May, up by a fifth from the previous year. Imports have fluctuated, on the other hand, but he highlighted their recent increase. The country imported \$5.386 billion worth of goods in May, climbing by a tenth from last year and reversing the 13.6% drop in April. Remittances have also been favourable Mr. Balisacan said. Lastly, a surge in infrastructure investment should buoy the economy. The government spent P88.5 billion on infrastructure as of June, a whopping 66.1% higher than the levels the previous year. (Manila Bulletin)

Foreign reserves in July breach 2012 forecast

The country's gross international reserves (GIR) are expected to have breached the government's full-year forecast last month, the central bank chief told congressmen yesterday. "For July, preliminary figures showed GIR amounted to \$78.5-78 billion, in excess of this year's target of \$77.5-78 billion," Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco, Jr. said. He added that July's GIR level would be enough to cover a year's worth of imports of goods and services. The central bank is scheduled to announce July's GIR level on Aug. 7. GIR in June totaled \$76.13 billion, 10.39% more than the \$68.996 billion recorded the previous year. (Business World)

DBS lowers PH inflation forecast

The DBS Group has lowered again its full-year inflation forecast for the Philippines to 3.1 percent in 2012, mainly due to the sluggish global economy and the inflation results in the first semester. The financial services provider also said in a research note that it was expecting the Bangko Sentral ng Pilipinas (BSP) to again reduce its policy rates by another 25 basis points within this year. DBS' inflation forecast for the Philippines for 2012 was originally set at 4 percent and was slashed to 3.5 percent in May. "Lower oil prices, a subdued global economic outlook and the benign inflation in the first half of the year prompted this revision," DBS explained. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Phl stocks waver ahead of ECB meeting

Philippine share prices slid yesterday, mirroring the weakness in most markets in Asia after the US Federal Reserve took no new action to boost the US economy and investors awaited announcements from the European Central Bank after its president vowed to keep the euro currency union intact. At the Philippine Stock Exchange, the benchmark index slipped 5.32 points or 0.10 percent to close at 5,293.40. Dragging the market were the mining and oil, as well as property counters, which fell 1.47 percent and 1.33 percent, respectively. Decliners outnumbered advancers, 94 to 75, while 45 stocks were unchanged. A total of 1.64 billion stocks worth P5.5 billion changed hands. (Philippine Star)

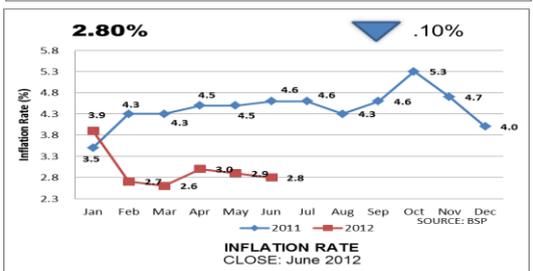
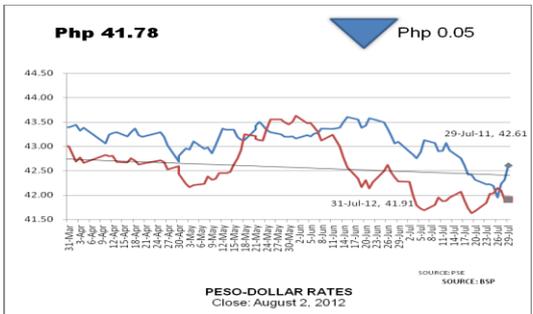
P/\$ rate closes at P41.85/\$1

The peso exchange rate closed lower at P41.85 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.765 the previous day. The weighted average rate appreciated P41.850 a dollar from P41.776. Total volume amounted to \$782.350 million. (Manila Bulletin)

INDUSTRY BUZZ

Japan Auto Sales Surge

Japan's auto sales kept up their momentum, surging 36% in July, as the imminent end of a government subsidy program sparked last-minute buying. Sales of new cars, trucks and buses rose for the 11th consecutive month, increasing 36.1% to 328,543 vehicles in July, up from 241,472 a year earlier, the Japan Automobile Dealers Association said Wednesday. The figures don't include sales of mini cars and mini trucks. The jump in sales is also attributable to the impact on the year-earlier figures of the March 11 earthquake and tsunami in eastern Japan, which triggered a parts-supply bottleneck that reduced sales. The Japan Mini Vehicles Association said separately that sales of mini vehicles--a rare solid segment in the sluggish market--leaped 40.3% to 184,582 in July, up from 131,586 in the same month last year. Sales in the months ahead are likely to lose momentum when the subsidy program comes to an end, possibly by the end of this month. (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%

