



# DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

August 30, 2012

Volume 4 No. 29

## MACROECONOMIC SNAPSHOT

### PHL economic bright spot in Asia

The Philippines is poised to be an "economic bright spot in Asia," The New York Times said in a post on Monday, citing a young, growing population and improvements in the government and efficiencies as forces driving growth amid a backdrop of tentativeness in the rest of the world. In an article, titled "A youthful populace helps make the Philippines an economic bright spot in Asia," Floyd Whaley of the Times wrote, "A high population growth rate, long considered a hindrance to prosperity, is now often seen as a driving force for economic growth. About 61 percent of the population in the Philippines is of working age, between 15 and 64. That figure is expected to continue increasing, which is not the case for many of its Asian neighbors, whose populations are aging." The article noted how the economy is being buoyed by a string of confidence votes from international ratings agencies, investors and financial institutions. (BusinessMirror)

### Banks buck controls on 'hot money'

The banking sector is not keen on the idea of imposing controls on the entry of foreign "hot money," saying such measures could scare off investors. According to Bank of the Philippine Islands president Aurelio Montinola III, the banking sector supports the current policy stance of the Bangko Sentral ng Pilipinas on foreign capital inflows. That the BSP said it was not inclined to impose controls on entry of foreign capital was welcome news to industry players, he said. "People will be concerned if there would be talks of capital controls," Montinola said. Questions on whether the BSP will restrict entry of foreign portfolio investments arose amid projections by some economists that foreign "hot money" to the Philippines and other emerging Asian economies may suddenly surge within the short term. (Philippine Daily Inquirer)

### Oil output hike urged, G7 warns on reserves

Finance ministers of the Group of Seven most industrialized nations urged oil producing countries on Tuesday to raise output to ensure the market is well supplied, while warning that the West was ready to tap strategic oil reserves to offset rising prices that could hamper global growth. "We stand ready to call upon the International Energy Agency to take appropriate action to ensure that the market is fully and timely supplied," the G7 said. "The current rise in oil prices reflects geopolitical concerns and certain supply disruptions. We encourage oil-producing countries to increase their output to meet demand." (BusinessWorld)

## FINANCIAL TRENDS

### Stocks up on GDP buzz

Stocks extended gains and closed higher on Wednesday as investors hunted for bargains ahead of the release of second-quarter growth data. The Philippine Stock Exchange index (PSEi) gained 0.39% or 20.10 points to close at 5,195.72, while the broader all-share index went up by 0.32% or 11.14 points to 3,454.11. (BusinessWorld)

### Peso falls as state of world economy remains uncertain

The peso fell on Wednesday as fund owners focused on the uncertainty of how the world economy would perform over the short term amid the absence of solid indicators of faster growth. The local currency closed at 42.345 against the US dollar, down by 5 centavos from the previous day's finish of 42.295:\$1. (Philippine Daily Inquirer)

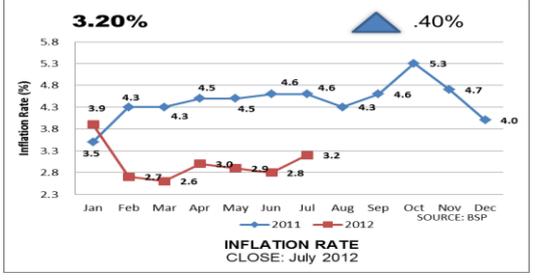
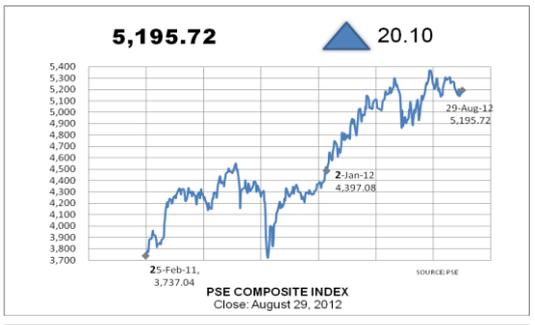
## INDUSTRY BUZZ

### US, university test cars that can communicate

In a few weeks, about 2,800 cars, trucks and buses will start talking to each other on the streets of Ann Arbor, Michigan, in a giant experiment that government officials are hoping will lead to safer roads. Wireless devices will allow the vehicles to send signals to each other, warning their drivers of potential dangers such as stopped traffic or cars that might be blowing through a red light. They can even get traffic lights to turn green if no cars are coming the other way. The US Department of Transportation and the University of Michigan are hoping the yearlong, \$25-million project generates data that show the devices can cut down on traffic crashes. Officials say eventually this could lead to the devices going in every car. About 500 vehicles with the devices are now on the roads. That will rise to 2,800 in about six weeks, officials said on Tuesday. (BusinessMirror)

### Volvo S60 earns top safety marks for frontal impacts

The 2012 Volvo S60 earned a top rating of "good" in the US Insurance Institute for Highway Safety's new small overlap frontal crash test, making it the highest-rated European luxury vehicle among those tested. "When we decided to build a world-class sports sedan we made sure it was a great Volvo first and foremost," said Volvo Cars of North America President and Chief Executive Officer John Maloney. "We set the benchmark on safety, and we continue to lead the crowd." (The Manila Times)



	Wednesday, August 29 2012	Last Week	Year ago
Overnight Lending, RP	5.75%	6.00%	6.50%
Overnight Borrowing, RRP	3.75%	4.00%	4.50%
91 day T Bill Rates	2.01%	2.15%	3.85%
Lending Rates	7.61%	7.64%	7.79%

