

DASHBOARD

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MACROECONOMIC SNAPSHOT

Government prepays \$735m in foreign debts

The Philippines prepaid a total of \$735 million worth of foreign liabilities in the first half of 2012. Bangko Sentral ng Pilipinas (BSP) data showed that the private sector accounted for the bulk, or 98.7 percent, of the total prepayment from January to June this year, while the government serviced the remainder. The private sector paid a total of \$725.7 million in the first six months this year, up by 17.1 percent from year-ago's \$628 million. The public sector prepaid \$9.3 million worth of foreign debt. Both the public and the private sectors paid their debts ahead of maturities due in part to the low-interest rate environment in the Philippines and overseas. (BusinessMirror)

Economy stays robust

The economy grew by 5.9% in the second quarter, at par with market expectations, the government yesterday reported, citing construction activities and state spending as the main drivers. Gross domestic product (GDP) growth -- just a shade higher than the 5.86% median forecast in a BusinessWorld poll of economists -- was slower than the previous quarter's revised 6.3% but an improvement from last year's 3.6%. This brought first half growth to 6.1%, slightly higher than the government's full-year 5-6% target. A year earlier, growth was only 4.2%. (BusinessWorld)

Growth to slow as remittances falter

Philippine growth probably eased from the fastest pace since 2010 as the faltering global recovery dampens demand for Filipino workers and exports. Gross domestic product probably increased 5.5 percent in the three months through June from a year earlier, slowing from a 6.4-percent pace in the first quarter, according to the median estimate of 17 economists in a Bloomberg News survey. That would contrast with Thailand, Malaysia and Indonesia, which reported faster expansion in the second quarter. (BusinessMirror)

FINANCIAL TRENDS

Phl market brushes off 'better-than-expected' growth data

Asian markets including the Philippines fell yesterday as positive news on US economic growth dashed hopes for fresh measures by the Federal Reserve, and gloomy retail sales in Japan deepened concern over its recovery. At the Philippine Stock Exchange (PSE), the main composite index tumbled 46.41 points to close at 5,149.31, ignoring the "better-than-expected" domestic economic growth data for the second quarter. (Philippine Star)

Peso rises over report of 5.9% GDP growth in Q2

The peso rose on Thursday to wipe out its loss the previous day as the market reacted positively to a government report saying that in the second quarter, the Philippine economy grew by another robust pace. The local currency closed at 42.23 against the US dollar, up by 11.5 centavos from the previous day's 42.345:\$1. (Philippine Daily Inquirer)

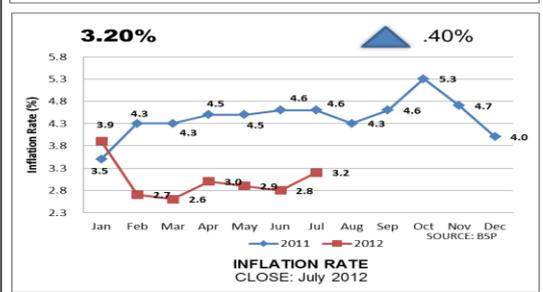
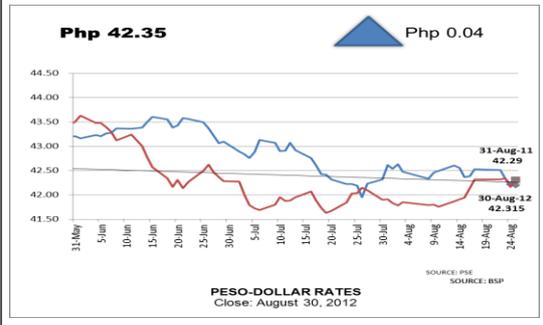
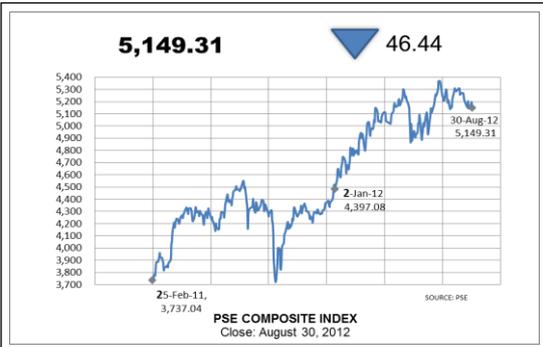
INDUSTRY BUZZ

Toyota, Honda Post Gains in Sales, Output

Toyota Motor Corp. and Honda Motor Co. posted sharp increases in domestic output and sales for July, as the Japanese auto makers took advantage of strong demand for fuel-efficient cars before the expected expiration of government buying incentives in the next few months. Toyota, Japan's biggest car maker, said Wednesday that its domestic output rose 30% in July from a year earlier, with sales surging 66% thanks to demand for models such as the Prius hybrid, the recently launched Aqua compact hybrid and other small cars. (Wall Street Journal)

Mitsubishi Philippines Double-Digit Growth For July

Mitsubishi Motors Phils. Corp. (MMPC) started the second half of the year with an impressive double-digit growth of 15.7 percent. MMPC was able to sell a total of 3,275 units for the month of July as compared to 2,830 units sold in June. MMPC also posted significant increases in several industry categories. With the launch of the Lancer EX 1.6 MIVEC in July, sales in the compact car segment increased by 397.4 percent. Sales for the compact car category reached 189 units which is so far the highest monthly sales since January of this year. (Manila Bulletin)



	Thursday August 30 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%

