



# DASHBOARD

Changing News. Your Guide.

AVID Daily E- News

September 4, 2012

Volume 4 No. 32

## MACROECONOMIC SNAPSHOT

### Gov't spending to increase in H2

The Aquino administration said government spending is expected to jump further in the second half of the year and would sustain the improvement in disbursements. The government has been trying to improve spending to boost economic growth, which grew 5.9 percent in the second quarter of the year from 6.4 percent in the first quarter. For the whole year, the government eyes an economic growth of five percent to six percent. Budget and Management secretary Florencio Abad said that from January to July, spending for infrastructure and capital outlay increased to P106.2 billion or 64.7 percent. Disbursements for Maintenance and Other Operating Expenditures (MOOE) also increased to P134.6 billion or 37.2 percent. Interest payments improved 14.6 percent to P201.3 billion during the seven-month period compared to P175.7 billion in the same period last year. The personal services budget, meanwhile, increased nine percent to P298.3 billion from P273.6 billion. (The Philippine Star)

### Philippine banks to survive global crunch—BSP

The Bangko Sentral ng Pilipinas said the Philippines would not suffer from a "deleveraging" in the banking sector similar to that being experienced by financial institutions in Europe, saying local banks have more than enough resources to accommodate higher capital requirements being imposed worldwide. BSP Governor Amando Tetangco Jr. said that unlike banks in the eurozone, those in the Philippines enjoyed capital levels that were way above existing standards. He said that a tightening of capital requirements would not force banks in the country to dispose of existing assets just to comply with the new rules. (Philippine Daily Inquirer)

### Fuel prices cut today

Fuel retailers today implemented price cuts for the second week on gasoline products to reflect price movements in the international petroleum market. Petron Corp., Seoil Philippines, Inc. and Total, Inc. announced yesterday that premium and unleaded gasoline will be cheaper by ₱0.90 per liter and regular gasoline by ₱0.20/liter. Diesel and kerosene prices did not move. Today's adjustment is the 35th for the year, or 18 increases and 17 reductions. Prices of Dubai crude, the benchmark used by most of Asia, are at \$111.78 per barrel. International prices of diesel are estimated at \$130 from \$137 per barrel and those of gasoline at \$119 from \$122 per barrel. (BusinessWorld)

## FINANCIAL TRENDS

### Index climbs as market mirrors Asian lead

Philippine stocks climbed yesterday, following the lead of major markets in Asia due to a lack of market-moving news on the local front. Most Asian stocks were up yesterday after a contraction in China's manufacturing boosted expectations of more stimulus to boost the world's second-biggest economy. At the Philippine Stock Exchange (PSE), the main composite index gained 22.89 points or 0.44 percent to close at 5,219.08. (The Philippine Star)

### Peso bounces back to 41-to-dollar level

The peso strengthened back to the 41-to-a-dollar territory on the first trading day of the week as the statement from the US Federal Reserve of its readiness to pump-prime the US economy lifted the appetite for emerging market securities. The local currency closed at 41.98 against the US dollar, up by 8 centavos from Friday's finish of 42.06:\$1. (Philippine Daily Inquirer)

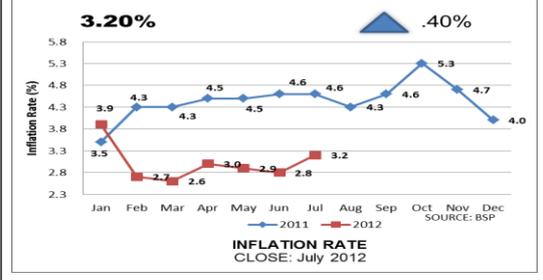
## INDUSTRY BUZZ

### Car parts makers craft roadmap

The automotive parts sector is crafting its own roadmap, identifying key interventions as well as incentives that would encourage investments in new and export projects. The roadmap seeks to encourage investments in so-called critical parts as well as components for electric vehicles and alternative fuel vehicles and sub-assembly systems. Critical parts would include body panel stampings, large injection moldings, engines, transmissions, transaxles, wiring harness, auto glass forming, finishing, steering and suspension parts. (Malaya Business Insight)

### Nissan Sentra redesigned as Altima look-alike

Nissan is pinning expectations of increased Sentra sales for the all-new Sentra in part on the more aerodynamic design and resemblance to the better-selling Altima midsize sedan. "The 2013 Nissan Sentra is the most revolutionary design in the nameplate's 30-year history," said Al Castignetti, vice president and general manager of the Nissan brand in North America. Nissan has eliminated 150 pounds and increased the small car's aerodynamics to help boost its fuel economy to 39 miles per gallon on the highway and 30 mpg in city driving. Sentra's combined fuel economy rating of 34 mpg is a 13-percent improvement over the current model. The 2013 Sentra will have a 1.8-liter engine, smaller than the current model's 2-liter engine. (BusinessWorld)



	Monday, September 3 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%

