



# DASHBOARD

Changing News. Your Guide.

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## MACROECONOMIC SNAPSHOT

### August inflation hits 7-month high of 3.8%

Philippine inflation jumped to a seven-month high in August as prices of food, beverage, garments and utilities increased. Documents from the National Statistics Office (NSO) showed annual inflation stood at 3.8 percent in August, the highest since January this year. The rate of increase in consumer prices was 4 percent in January, 2.7 percent in February, 2.6 percent in March and 3 percent in April. This fell to 2.9 percent in May and 2.8 percent in June before picking up to 3.2 percent in July. "Inflation remains manageable but the government will remain vigilant against any undesirable trends," said Emmanuel Esguerra, deputy director general of the National Economic and Development Authority. (Philippine Daily Inquirer)

### PH competitiveness ranking advances

Out of 144 economies around the world, the Philippines' global competitiveness ranking improved by double digits in the latest World Economic Forum's Global Competitiveness Report 2012-2013, one of only 15 economies in a similar performance which measured the microeconomic and macroeconomic level that determine national competitiveness. The country ranked 65th in the latest competitiveness rankings from 75th in 2011, the second straight year that rankings moved up 10 places, said Makati Business Club chairman Ramon del Rosario Jr. at yesterday's launch of the Global Competitiveness Report. In 2010 the ranking was 85 from 87 in 2009. The ranking history showed that it has advanced 22 places since its lowest mark in 2009. (Manila Bulletin)

### EU blow may boost capital flows

Moody's move to downgrade its outlook on the European Union could drive capital flows to emerging market economies (EMEs), the Bangko Sentral ng Pilipinas chief said, adding another consideration to next week's scheduled policy review. "Depending on how the yield differential falls between EU (European Union) and EME, we could see investors moving to assets that they consider safe haven," central bank Governor Amando M. Tetangco, Jr. said in a text message to reporters. On Monday he had warned of increased capital flows to EMEs that could arise with a fresh easing by the US Federal Reserve -- an option indicated by Fed chief Ben Bernanke last week. (BusinessWorld)

## FINANCIAL TRENDS

### Local shares end 0.5% lower

Local shares ended lower yesterday as most investors stayed on the sidelines ahead of a much awaited ECB meeting Thursday. The Philippine Stock Exchange index (PSE) was off 0.5% at 5,150.81, with all the sub-indexes in the red. (Manila Bulletin)

### Peso dips on caution before ECB meeting

The peso slid against the dollar yesterday as the market turned cautious ahead of the European Central Bank (ECB) meeting scheduled later today. The local unit shed seven centavos to settle at P41.975 per dollar against its P41.905-per-dollar close last Tuesday. (BusinessWorld)

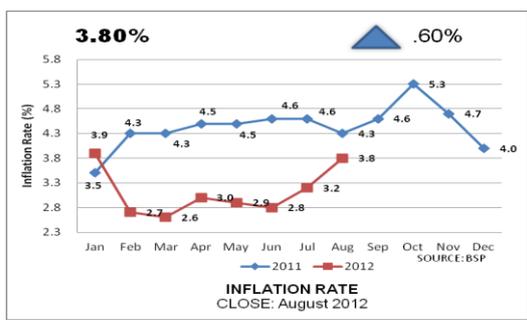
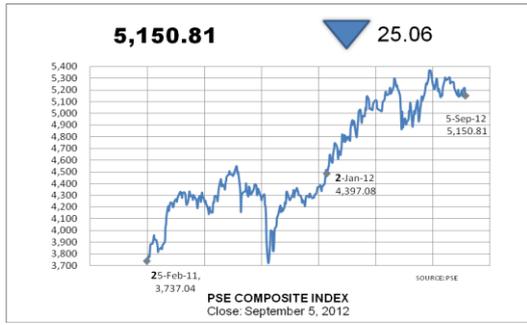
## INDUSTRY BUZZ

### Local market boosting Porsche surge in Asia-Pacific

With Europe and the United States failing to show any definite sign that they will soon recover from their debilitating economic slump, investors' focus has shifted to Asia, making it the fastest-growing region in the world today. This explains why the region—particularly the Philippines, Indonesia and China—has been seeing a surge in the entry of portfolio funds, long-term investments, job opportunities as well as income levels. According to Martin Schlotterer, after-sales director of Porsche Asia Pacific Ltd., Porsche Asia Pacific is the fastest-growing in the Porsche world, with 16,000 Porsche vehicles on the road. By 2018, growth is accelerated to as much as 70,000 vehicles in 12 markets with Korea and Taiwan topping the list of Porsche-seeking countries. (Philippine Daily Inquirer)

### US auto sales soar in Aug.

Automakers turned in their best August since before the 2007-09 recession, with US monthly auto sales rising 20% from a year ago as consumers with aging vehicles showed more confidence in buying big-ticket items on easier credit terms. Big sales gains were achieved by Japan's Toyota Motor Corp. and Honda Motor Co., which continued to recover after last year's earthquake and tsunami. All three Detroit automakers increased August sales more than analysts had expected. Total sales for the month were 1,285,202 vehicles, according to Autodata Corp., the highest monthly sales figure for any August since 2007, when 1.47 million autos were sold in the United States. (BusinessWorld)



	Wednesday, September 5 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	7.58%	7.61%	7.79%

