



DASHBOARD

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MACROECONOMIC SNAPSHOT

Foreign investments up; BSP cites confidence

Foreign direct investments (FDI) were up a tenth in the first semester given continued confidence in the country, the Bangko Sentral ng Pilipinas (BSP) yesterday reported. June FDI alone rose by 16% to a net inflow of \$73 million from a year earlier, bringing the first half tally to a net \$917 million, up 10.6% from \$829 million in the same period a year ago. Investors, the BSP claimed, were confident about the country's "subdued inflation environment, strong fiscal performance and favourable external payments position." During the first semester, equity capital or investments by foreign firms in local units surged by 311.5% to a net inflow \$1.070 billion from \$260 million. Net reinvested earnings were also positive at a net inflow of \$74 billion, albeit 57% lower than a year earlier. (BusinessWorld)

Remittances to hit 5% growth target

Growth in remittances from overseas Filipinos abroad is expected to hit the central bank's five-percent target for the year, a multilateral agency has said. "We are seeing five-percent (growth) this year," said Shanaka Jayanath Peiris, newly installed resident representative of the International Monetary Fund (IMF) to the Philippines. "Unlike exports, you can see that remittances are slowing but have remained resilient," he added. Latest official data showed money sent home by Filipinos living and working abroad coursed through banks expanded at its slowest pace in 14 months last June at 4.2 percent to \$1.811 billion. However, the first semester tally of \$10.128 billion was a 5.1-percent improvement from the same period last year. (The Philippine Star)

Manufacturers finalizing industry road map proposal

Domestic manufacturers are now finalizing a proposed industry road map that will detail policy recommendations aimed at hastening the integration of various manufacturing sectors in the Philippines. The Federation of Philippine Industries (FPI) noted that this document would ensure that the inputs of local manufacturers would be included in the official road map that the government is now preparing for the industry. "The final position paper is intended to be submitted before the Department of Trade and Industry [DTI] consolidates the sectoral road maps, submitted separately by the different industry associations, into one manufacturing work plan," said FPI. (BusinessMirror)

FINANCIAL TRENDS

Phi stocks retreat ahead of US Fed meeting

Asian stock markets including the Philippines ran into resistance yesterday, ahead of a meeting by Federal Reserve policy makers who are expected to announce new plans to stimulate a sluggish US economy in response to a disappointing jobs report. At the Philippine Stock Exchange, the main composite index slid 10.51 points to close at 5,190.81. Sectoral indices closed mixed, with laggards led by mining and oil that plunged 253.31 points to close at 20,460.57. Property dropped by 22.20 points to 1,996.87, while industrial shed 0.86 point to 7,915.22. (The Philippine Star)

Peso surges to four-year high

The peso surged to a four-year high yesterday, lifted by market players' appetite for risky assets on expectations the Federal Reserve will announce a new bond buying program as US job creation continued to be weak. The local unit gained six-and-a-half centavos to close at P41.615 per dollar against its P41.68-perdollar close last Friday. (BusinessWorld)

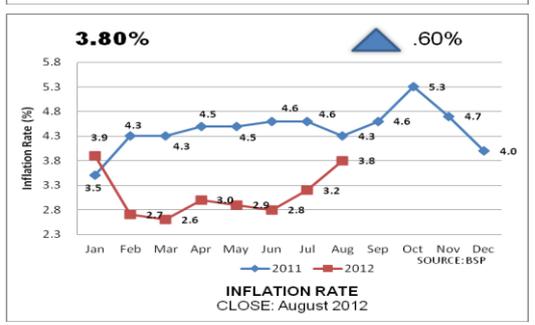
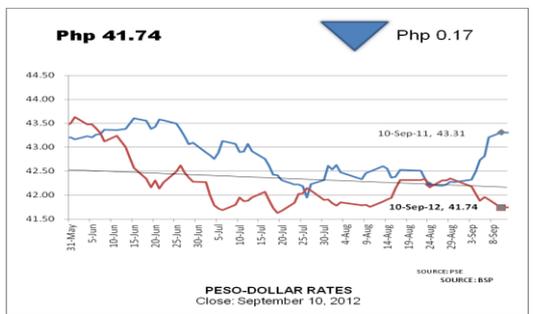
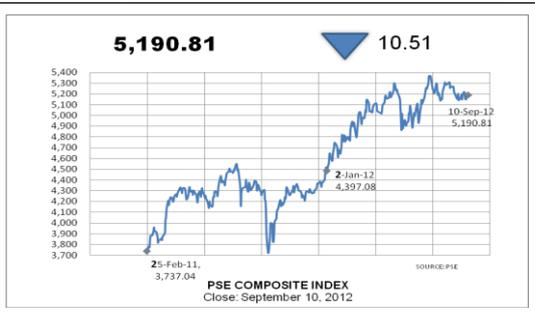
INDUSTRY BUZZ

Car makers want to retain 20% tariff on imported cars

Car assemblers and manufacturers are pushing for the retention of the 20 percent tariff imposed on imported vehicles from Japan with engine displacement of three liters and below as the Japan-Philippines Economic Partnership Agreement (JPEPA) is under review. "The position of the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) is to keep the tariff at 20 percent for (vehicles with engines) three liters and below to protect the local industry," CAMPI president Roque Rommel Gutierrez told reporters on the sidelines of the 4th Philippine International Motor Show Media Awards late Friday. (The Philippine Star)

Nissan rolls out Chinese brand's new model

Nissan Corp. has unveiled the second model from its new low-priced Chinese brand Venucia following what an executive said was a temporary dip in sales during anti-Japanese protests last month. Nissan said the compact R50 hatchback will sell for as little as 67,800 yuan (\$10,760). It is part of a wave of new models by Japanese, U.S. and European automakers that are aimed at China's growing market outside major cities. (Philippine Daily Inquirer)



	Monday, September 10 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%

