



DASHBOARD

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MACROECONOMIC SNAPSHOT

August spending, revenues likely up

Public spending likely continued its sharp rise in August but revenues also saw significant one-time gains from tax and non-tax collections, a Cabinet official said. "By the July trend, which saw the fiscal deficit immediately double in one month, disbursements should be able to sustain their momentum," Budget Secretary Florencio B. Abad said at the sidelines of the private sector-sponsored Integrity Summit. The government racked up a deficit of P39.249 billion in July, surpassing the P34.482 billion incurred from January to June. This was driven up by a spike in public spending, which hit P162.558 billion. Mr. Abad noted that revenues could also have surged the following month even if the Bureau of Internal Revenue and Bureau of Customs missed their collection targets. (BusinessWorld)

August BOP down 81% from July's

The country's balance of payments (BOP) stood as a surplus of only \$582 million in August, sharply down 81 percent from surplus in July of \$3.18 billion. Still, the continued surplus state in the balance of payments helped push the eight-month surplus 13 percent higher than in July to \$5.08 billion. This means the Philippines generated far more foreign-currency earnings from investments and trade than it was paying for them during the period, helping boost further in the process the value of the peso going forward. At this level, the eight-month BOP is almost twice the forecast surplus for the whole year of only \$2.6 billion, making more necessary the recalibration of this target in October or November. (BusinessMirror)

Remittance growth on target

The research arm of Metropolitan Trust and Bank Co. yesterday kept its full-year growth forecast for remittances sent home by Filipinos abroad at 5.5% but noted downside risks caused by the weak global economy. "Research retains its 5.5% forecast for average remittances growth as these downside risks persist," Mabelle Reynaldo, research analyst, said in Weekly Views from the Metro published yesterday. The downside risks, she noted, refer to the gloomy global outlook, dragged by the slowing US economy and the debt-ridden euro zone. Ms. Reynaldo added that the "slowdown in advanced Asian economies such as Japan and China, and geopolitical tensions in the Middle East further contribute to the bleak global situation." (BusinessWorld)

FINANCIAL TRENDS

Index retreats anew as investors take profits

Local stocks fell for a second session, dragged by select blue chips, as investors continued to take profits just days after the market nearly touched record high territory. The benchmark Philippine Stock Exchange index (PSEi) shed 14.10 points or 0.26 percent to close at 5,317.03 yesterday, although the broader All Shares index inched up 3.26 points (0.09 percent) to 3,546.56. (The Philippine Star)

Peso rises over reports of Japan's stimulus budget

The peso rose on Wednesday following reports that the central bank of Japan raised its stimulus budget for boosting growth of the Japanese economy. The local currency closed at 41.61 against the US dollar, up by 14 centavos from the previous day's finish of 41.75:\$1. (Philippine Daily Inquirer)

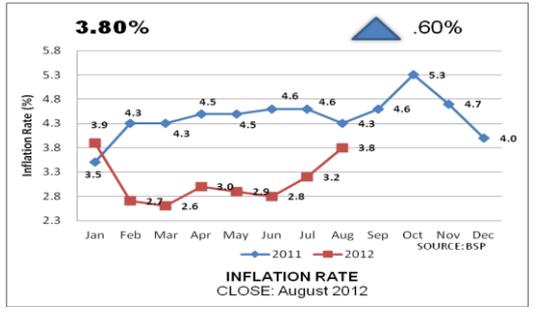
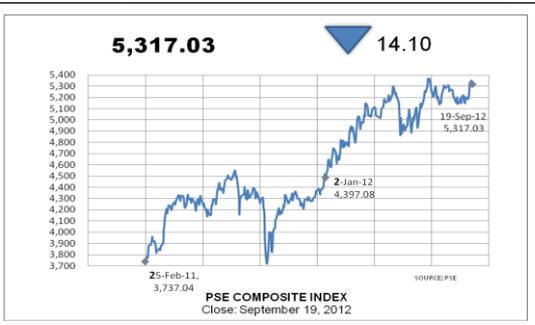
INDUSTRY BUZZ

Volvo expands, rolls into Iloilo and Bacolod

Volvo means "I roll" in Latin and roll it does as a new trade partner in the Visayas region signed on to deliver the dynamic range of Volvo cars in Bacolod, Iloilo and nearby provinces. Distributed by its local partner Grandcars, Inc., Volvo Iloilo and Bacolod are now open to serve loyal Volvo enthusiasts with its trademark quality and customer care. "It is with much pride and pleasure that we have officially rolled onto Bacolod and Iloilo roads. We promise to continue our dedication to providing world-class Volvo vehicles coupled by quality customer service to the eager Visayan market," quips Roselyn Dimalanta, First Executive Vice President of Volvo Phils. (The Philippine Star)

Exciting tire-burning action at Jaguar Drift Fest

To be held at the Kings Playground at the Food Terminal Inc. complex in Taguig City on Sept. 22, the Drift Fest, mounted in collaboration with Car Porn Racing, Monster Energy Drink and Victoria Court, will gather some of the best novice and professional drift drivers in the country. The distributors of Jaguar cars in the country will be involved in the scene. "In the Philippines, drifting has been steadily gaining popularity among racing enthusiasts and Jaguar wants to be at the forefront of this evolving motorsport which demands highly technical driving skills and extreme car performance," said Jaguar Cars Philippines executive director Marc Soong in a statement. (BusinessWorld)



	Wednesday, September 19 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	7.49%	7.56%	7.79%

