



DASHBOARD

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MACROECONOMIC SNAPSHOT

Debt-to-GDP ratio seen to boost PH credit rating

The country may further gain an edge in its efforts to secure an investment grade once the government's outstanding debt as a proportion of the country's gross domestic product (GDP) falls below the 50-percent mark this year. First Metro Investments Corp. and the University of Asia and the Pacific announced their joint projection in the latest issue of "The Market Call," where they claimed that the government's debt-to-GDP ratio would drop to just 48 percent by the end of 2012. Both institutions also expect economic growth to be faster than the increase in the government's outstanding debt which, in turn, will trigger the drop in the debt-to-GDP ratio to below the international threshold of 50 percent. (Philippine Daily Inquirer)

Bank deposits up 8% in H1

Bank deposits rose by almost eight percent in the first semester as more and more people entrust their money to banks, according to a report from the Bangko Sentral ng Pilipinas released over the weekend. As of June, total bank deposits rose 7.9 percent to P4.1 trillion from P3.8 trillion a year ago, the BSP's said. "The continued growth in deposits reflected depositors' sustained confidence in the banking system," the report stated. The bulk of deposits was recorded as savings, which increased 8.5 percent to P2.038 trillion during the same period. Time deposits, or those locked-in for a particular period until maturity, also went up 1.8 percent to P1.146 trillion. (The Philippine Star)

Philippines new 'darling' of global investors

The Philippines is one of the current "darlings" of global investors seeking better returns in emerging market economies and offers even bigger potential returns in the future, according to a ranking official of foreign investment firm Religare Capital Markets Ltd. The company, which specializes in equities investments in India and the Asean region, has decided to set up operations in the country within the year to better take advantage of the nascent Philippine economic boom. "The Philippines is a market where people want to put money into," Religare's global head of equity capital markets John Sturmeay said in an interview. "The story here is certainly better than how it was a few years ago. Everyone is saying good things about the Philippines." (Philippine Daily Inquirer)

FINANCIAL TRENDS

Local shares close 0.63% up

Local shares closed yesterday, lifted by investors picking up bargains, particularly property developers, after several days of losses. The benchmark Philippine Stock Exchange index (PSEi) rose 0.6% to close at 5325.60, recouping around half of the 1.1% it lost in the past four trading days. Astro del Castillo, managing director at First Grade Holdings, says the losses in recent days and prospects of an extended period of low interest rates apparently underpinned investor interest in property stocks. "But this is just a small bounce. We need fresh leads," he adds. (Manila Bulletin)

Spain, dollar demand pull peso lower

Dollar purchases by firms settling dollar-denominated obligations by month-end as well as worries over Spain pulled the peso lower against the greenback yesterday. The local unit slid by 11.5 centavos to settle at P41.775 per dollar against its P41.66-per-dollar finish last Friday. (BusinessWorld)

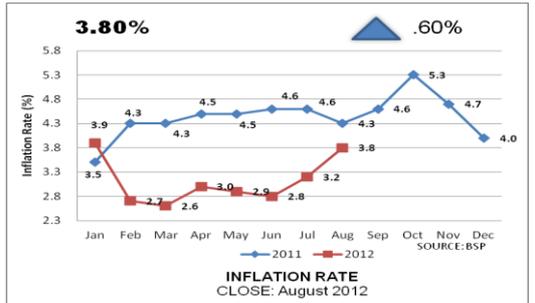
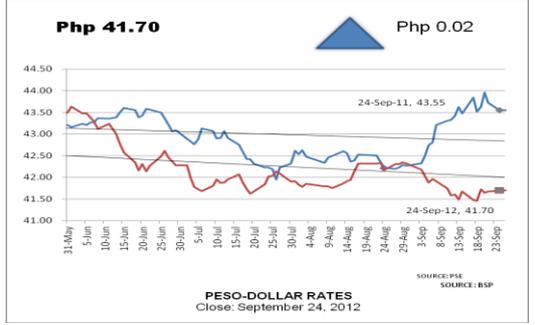
INDUSTRY BUZZ

Honda aims to double sales in five years

Honda Motor Co. set a goal of nearly doubling its global vehicles sales in five years, a move that would rely heavily on expanding its footprint in fast-growing emerging auto markets and on new small car models, Japan's third biggest car maker by volume on Friday said it aims to sell more than 6 million vehicles in the fiscal year ending March 2017, a move that will heavily rely on its new Fit compact and low-cost Brio small model in mature and emerging markets. In the last fiscal year, the car maker sold 3.11 million vehicles world-wide. "We achieved a speedy recovery [from last year's natural disasters in Japan and Thailand] and as of today we are ready to make a counterattack," Honda President and Chief Executive Takano Ito said at a news conference. (Wall Street Journal)

Toyota plans expanded range of hybrids

Toyota Motor Corp. is boosting its green vehicle lineup, with 21 new hybrids in the next three years, a new electric car later this year and a fuel cell vehicle by 2015. Japan's top automaker outlined its green vehicle plans Monday amid growing concerns about global warming and surging gas prices. Toyota will offer an electric compact called eQ, based on its iQ model, in Japan and the U.S. in December though the number of the vehicles made will be extremely limited — about 100. (Philippine Daily Inquirer)



	Monday, September 24 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	0.75%	2.15%	3.85%
Lending Rates	7.49%	7.56%	7.79%

