



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Government posts P2.523-billion budget surplus in August

The government posted a budget surplus of P2.523 billion in August, lower than the year-ago surplus of P9.220 billion but putting the Philippines in a "fiscal sweet spot," Finance Secretary Cesar Purisima said yesterday. The August surplus, a reversal of the P39.249-billion deficit in July, brought the eight-month fiscal position to a deficit of P71.208 billion, still way below the full-year shortfall ceiling of P279 billion but wider than the P34.493-billion shortfall recorded a year ago as the government still needs to step-up spending despite the improvement in disbursements. Purisima attributed the August surplus to 4.2-percent year-on-year growth in revenues and 10.4-percent growth in expenditures. (The Philippine Star)

### S&P raises PHL growth figure to 4.9%

New York-based credit watcher Standard & Poor's (S&P) scaled up its growth forecast for the Philippines to 4.9 percent in terms of the gross domestic product (GDP) this year from 4.3 percent originally on the basis of the economy's continued and sustained expansion. The announcement was made against a background of decelerating growth forecasts for many of the country's neighbors, including China, whose growth S&P recalibrated to 7.5 percent from 8.0 percent. China is considered the best-performing economy, and the Philippine comes third best after neighboring Indonesia. The upward revision did not surprise Bangko Sentral ng Pilipinas Governor Amando M. Tetanco Jr., who said S&P's decision validates their long-held view that "homegrown sources of resilience can buffer the economy from external headwinds." (BusinessMirror)

### IMF set to cut forecasts next month

The International Monetary Fund is set to cut its forecast for global growth next month with uncertainty over whether European policy makers will keep promises to address the euro zone crisis weighing on confidence, its head said. "We continue to project a gradual recovery, but global growth will likely be a bit weaker than we had anticipated even in July, and our forecast has trended downward over the last 12 months," IMF Managing Director Christine Lagarde said. In July, the IMF cut its global growth projection for 2013 to 3.9% but left its 2012 forecast at 3.5%. Ms. Lagarde said the euro zone debt crisis posed the greatest risk to the world economy but that the US fiscal cliff also presented a "serious threat." (BusinessWorld)

## FINANCIAL TRENDS

### Share prices dive as global growth pessimism mounts

Local stocks fell yesterday, along with most markets in the region, after pessimism about global growth prospects sparked Wall St's worst sell-off in three months. The benchmark Philippine Stock Exchange index (PSEi) retreated 32.54 points (0.61 percent) to 5,292.63 while the broader All Shares index dropped 15.41 points (0.43 percent) to 3,531.25. A total 1.15 billion shares valued at P7.91 billion changed hands yesterday, with decliners outnumbering gainers, 95 to 58, while 43 issues were unchanged. (The Philippine Star)

### P/\$ rate closes at P42.02/\$1

The peso exchange rate closed lower at P42.02 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.735 the previous day. The weighted average rate depreciated to P41.886 from P41.731. Total volume amounted to \$1.217.12 billion. (Manila Bulletin)

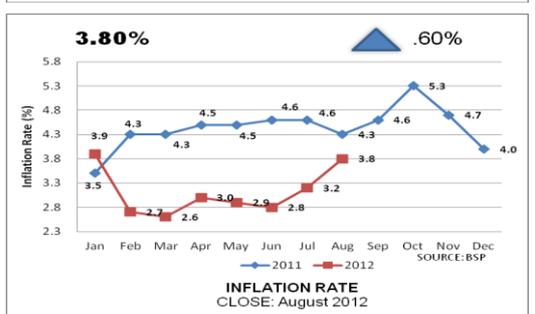
## INDUSTRY BUZZ

### Car makers trim China output on protests

Japanese automakers Toyota Motor Corp., Nissan Motor Co. Ltd. and Suzuki are curtailing production in China in the wake of anti-Japan protests that shuttered dealerships and darkened their sales prospects in the world's top car market. Nissan, Japan's top automaker in China, said it would halt production at a joint venture in China starting today — three days earlier than planned — and extending through next week's national holiday period. A Toyota executive in Beijing, who spoke on condition of anonymity, said it was "likely" the automaker would cut output in China in the coming weeks. A Toyota spokeswoman said the company had no immediate comment. Suzuki, meanwhile, said it had stopped one of two shifts that it normally runs in China. (BusinessWorld)

### Jaguar shows new sports car

India's Tata Motors Ltd. is using the glamour of this week's Paris motor show to launch its new F-type Jaguar sports car, a vehicle it is counting on to turn heads and keep its strong sales momentum going. Wednesday's debut will add to a sales boom fed by the company's premium Range Rover SUVs. Jaguar Land Rover's sales rose 27% in the financial year ended in March, with strong demand for the Range Rover Evoque even amid Europe's financial woes. (Wall Street Journal)



	Wednesday, September 26 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%

