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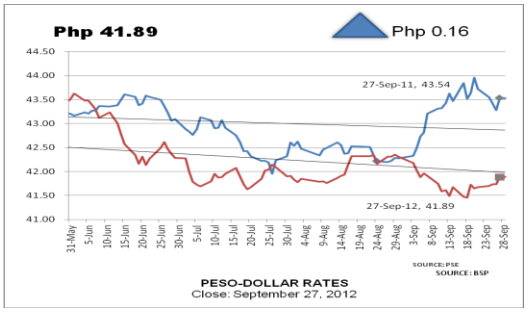

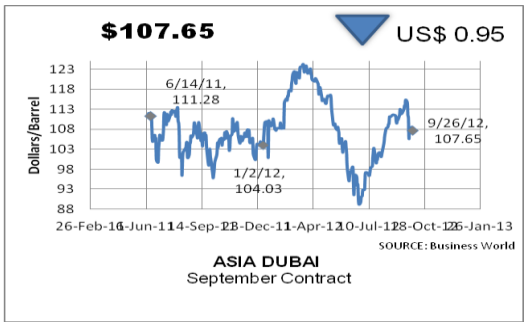

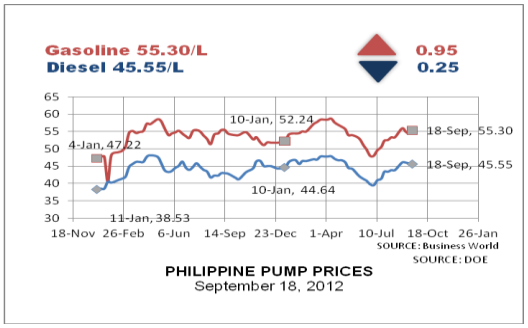

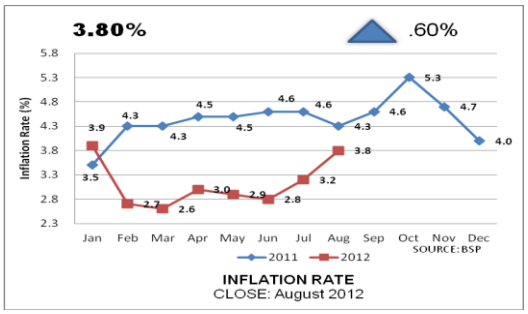

	Thursday, September 27 2012	Last Week	Year ago
Overnight Lending, RP	5.75%	6.00%	6.50%
Overnight Borrowing, RRP	3.75%	4.00%	4.50%
91 day T Bill Rates	0.75%	2.15%	3.85%
Lending Rates	7.49%	7.56%	7.79%

MACROECONOMIC SNAPSHOT

Sept. inflation could hit 3.4-4.3% – BSP

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)

Aquino: Growth to exceed 5-6% target this year

President Aquino said on Wednesday that there's a "good chance" the country may exceed its 5-percent to 6-percent economic growth target this year. Mr. Aquino made the forecast in an extemporaneous speech at the mass oath taking ceremony of new Liberal Party members at the Bohol Cultural Center, where he apprised his party mates of his administration's inroads in economic development. "Our [growth] target is between 5 [percent] and 6 [percent]. There's a good chance that we would exceed that target," he said. Secretary Ramon Carandang of the Presidential Communications Development and Strategic Planning Office said growth may be boosted by investments and "the usual fourth quarter bump in consumer spending" but no target revisions are being considered, "given the volatility of world economics right now." (BusinessMirror)

Growing importation seen boosting exports

Exporters said that the growth in importation is a good indication that manufacturers are stockpiling for improved production to meet the traditionally higher demand for the last quarter of the year or during the Christmas season. "If importation is any sign of improving production, the industry is doing not that bad," said Sergio Ortiz-Luis, president of the Philippine Exports Confederation. Imports in June improved 13 percent from May to $5.09 billion but went flat by July to $4.96 billion. "It's bad but it's not that bad," he said. The growing imports figure, he said, may be due to the fact that manufacturers may have imported enough for their production requirements and meet Christmas demand. (Manila Bulletin)

FINANCIAL TRENDS

Index up modestly as market mirrors regional bourses

Philippine share prices moved modestly higher yesterday, mirroring the trend in most Asian stocks as investors positioned themselves ahead of major holiday that will shut markets in Hong Kong and mainland China next week. Speculation that China's central bank might enact policy changes during the holidays to help jumpstart the world's No. 2 economy gave sentiment a slightly positive bias. At the Philippine Stock Exchange (PSE), the main composite index edged up 8.86 points to close at 5,301.49. Sectoral indices closed mixed, with gainers led by property that advanced 19.91 points to 2,047.85. Financials went up 2.93 points to 1,355.58, while holding firms edged higher 9.57 points to 4,460.38. (The Philippine Star)

Peso rebounds on Chinese stimulus hopesto four-year high

The peso firmed up against the dollar yesterday after plunging to the P42-per-dollar territory last Wednesday on speculation of fresh Chinese stimulus and after market players took advantage of the local currency's weakness to book profits. After losing 28.5 centavos to finish at P42.02 per dollar last Wednesday, the local unit strengthened by 15 centavos closed at P41.87 per dollar yesterday. The peso outperformed other emerging Asian currencies yesterday. It is seen trading within the P41.80- to P42.20-per-dollar band today. (BusinessWorld)

INDUSTRY BUZZ

Toyota cautiously aims to grow again in tough Europe

Toyota Motor Corp. is cautious about pushing too hard for expansion in Europe where it is easy to lose money, but still aims to boost sales in the region by 10,000 or more vehicles in 2012 from 822,000 a year ago, executives said. The Japanese automaker plans to expand market share slightly to 4.5% from last year's 4.2% and bring that up to about 5% to 5.5% over the next five years, Didier Leroy, chief executive of Toyota Motor Europe, and Karl Schlicht, executive vice-president, said yesterday. The growth would come after four years of shrinking market share for Toyota in Europe and as car sales drop in the region. "We have to run a sensible business, a profitable business. It's very easy to lose money here in Europe, so we have to be careful and we want to go step by step," Mr. Schlicht told reporters on the eve of the Paris auto show which begins on Thursday. (BusinessWorld)

Audi CHANA CHEVROLET CHRYSLER DODGE FAW FOTON HYUNDAI JAGUAR Jeep LAMBORGHINI MASERATI Mercedes-Benz MINI PORSCHE RANGE ROVER SUBARU VOLVO