



DASHBOARD

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MACROECONOMIC SNAPSHOT

Domestic trade value up 30% in Q2

The value of commodities traded within the country rose 30 percent in the second quarter from a year ago, the National Statistics Office (NSO) said yesterday. Preliminary results of the NSO's commodity flow in the Philippines report showed the total value of domestic trade rose to P139.91 billion in the April to June period, up from the P107.6 billion in the comparable period last year. "Trade transactions through water transport accounted for 99.3 percent, the same percentage recorded in the second quarter of 2011," the NSO said. (The Philippine Star)

Tourism, BPOs to keep dollar inflows strong—BSP

Dollar inflows to the country will remain robust over the medium term, even if growth in remittances slows down, given the rosy outlook for tourism and business process outsourcing sectors. This was according to the Bangko Sentral ng Pilipinas, which said that the country would continue to enjoy substantial foreign exchange inflows over the next few years because tourism receipts and foreign investments in the BPO sector were expected to post significant growth rates. "We have seen two emerging sectors: BPO and tourism," BSP Deputy Governor Diwa Guinigundo told the Inquirer. He was reacting to projections that growth in remittances might eventually plateau and drag down dollar inflows to the country. (Philippine Daily Inquirer)

PHL lags behind Asean neighbors in labor productivity

The head of the International Labor Organization (ILO) in the country said the Philippines still lags behind neighbors in the Association of Southeast Asian Nations (Asean) in labor productivity as he urged for stronger social protection for displaced workers and transparency in governance to attract investments. ILO Country Rep. Lawrence Jeff Johnson said from seven developing Asean economies, it is only the Philippines that have been growing at a flat rate from 2005 to 2010. He said other Asean nations, led by Vietnam, Cambodia, Singapore, Indonesia, Malaysia and Thailand, grew on an upward trend but the Philippines was lagging behind during the five-year period. The ILO chief said the government needs to focus on programs to improve the lives of close to 15 million people in vulnerable employment. These include workers that lack social protection, no decent salaries and exposed to various job-related risks. (BusinessMirror)

FINANCIAL TRENDS

Stocks retreat on weak economic data overseas

Share prices mostly fell in yesterday's trading as weakening business confidence among Japanese and a decline in Wall St Friday forced investors to sell down after a quarter-end window dressing. The 30-company Philippine Stock Exchange index (PSEi) shed 37.58 points (0.7 percent) to close at 5,308.52. All sectoral indices were in the red, led by the property, services and holding firms. Losers outnumbered gainers, 91 to 63, while 40 issues held steady. (The Philippine Star)

P/\$ rate stands at P41.70/\$1

The peso exchange rate stands at P41.70 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P41.739. (Manila Bulletin)

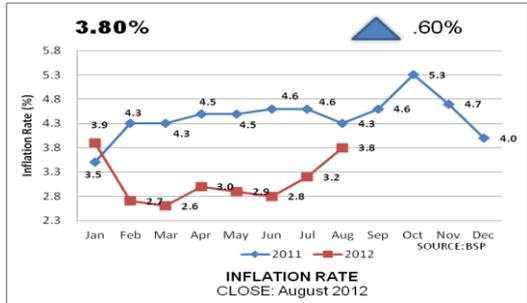
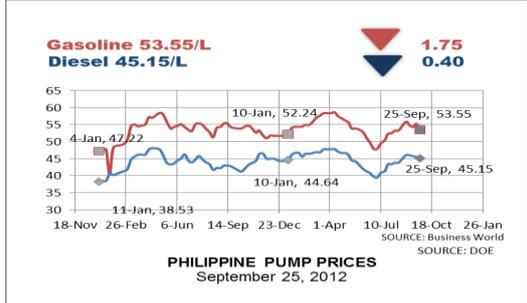
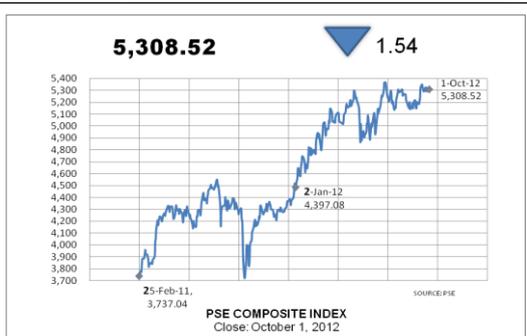
INDUSTRY BUZZ

India's car sales to go into overdrive

Even with its economy cooling, India's car sales are forecast to go into overdrive, creating a huge challenge for the government to modernize the country's antiquated road network. The shift toward vehicle ownership in the country of 1.2 billion people has reached a tipping point, driven by increasingly urban, affluent and aspirational first-time buyers, according to global research firm LMC Automotive. Many millions "are crossing the wealth threshold to the stage they can afford cars", said Pete Kelly, managing director of LMC Automotive UK, adding "short-term variations in economic growth aren't likely to get in the way". LMC projected light vehicle sales – cars, sport utility vehicles and light trucks – will quadruple to 11 million units by 2020 from 2.7 million in 2010, in a paper presented at an automotive conference in New Delhi in September. (Philippine Daily Inquirer)

French begin new luxury car drive

On a shiny black stage at the Paris motor show this week, start-up Exagon Motors displayed its baby: The Furtive eGT, France's most luxurious automobile. Exagon executives brag their €400,000 (\$516,000) hybrid comes with customizable leather interior, rigid carbon-fiber frame and body, and two powerful electric engines. But while rich on technical prowess, Exagon's vehicle is missing an element that traditionally surrounds luxury goods: a legacy. (Wall Street Journal)



	Monday, October 1 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	7.45%	7.49%	7.79%

