



DASHBOARD

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MACROECONOMIC SNAPSHOT

Neda sees economy rising at least 6%

The government is now aiming for a gross domestic product growth of at least 6 percent this year, Economic Planning Secretary Arsenio Balisacan said Monday. Balisacan, who is also the director-general of the National Economic and Development Authority, said on the sidelines of the 23rd National Statistics Month celebration the Aquino administration was pushing to achieve, or even exceed the full-year GDP goal of 5 percent to 6 percent. "We are aiming for that," he told reporters, when asked whether growth would grow by at least 6 percent this year. He said attaining the upper-end of the GDP target "is not difficult," if the country would not experience another destructive calamity in the fourth quarter, such as the onslaught of tropical storm Ondoy in 2009. (Manila Standard Today)

PH debt piled up in 1st 8 months

The government's financing position in the eight months to August stood at a net borrowing of P220 billion, more than 14 times the P15.4 billion recorded in the same period last year, according to the Bureau of Treasury (BTr). From January to August, the amount of new borrowings continued to rise while payments declined further by a double-digit rate. During the period, the government incurred a total of P510 billion in fresh borrowings, up by 48 percent year on year from P343.9 billion. At the same time, the government paid a total of P290 billion—12 percent less than the P328.5 billion it settled in the same period last year. (Philippine Daily Inquirer)

Capital inflows robust, up 26%

Capital flows into the country remained robust in 2011 as measured by the country's international investment position (IIP) despite the reported rise in risk aversion brought by the eurozone debt crisis. The Philippines' IIP continued to show strength at end-2011, registering a 26 percent year-on-year improvement. The Bangko Sentral ng Pilipinas yesterday said that preliminary IIP data as of end-December 2011 indicated that the country's net liability position improved 25.8 percent to \$19.5 billion from the revised end-2010 level of \$26.3 billion. The \$10.2 billion surplus in the balance of payments enabled the BSP to build up its gross international reserves (GIR), which provided cushion against external shocks. Meanwhile, the huge drop in the banks' total external assets, combined with a 17.9 percent increase in its foreign liabilities resulted in a net liability position of \$2.7 billion. (Malaya Business Insight)

FINANCIAL TRENDS

Phl stocks gain on US manufacturing upswing

Philippine stocks were boosted yesterday by an upbeat report showing US manufacturing grew in September for the first time in four months. The Philippine Stock Exchange index (PSEi) expanded 40.16 points to close at 5,348.68, while the broader all-share index climbed 17.14 points to 3,548.73. All sectoral indices ended in positive territory, led by holding firms that surged 53.61 points to 8,155.09. Financials rose 11.84 points to 1,379.38, while mining and oil went up 166.07 points to 19,992.87. (The Philippine Star)

Peso up by 16 centavos

The peso inched up on Tuesday as reports of an increase in manufacturing activities in the United States in September lifted investor sentiment. The local currency closed at 41.60 against the US dollar, up by 16 centavos from the previous day's finish of 41.76:\$1. Intraday high hit 41.59:\$1, while intraday low settled at 41.70:\$1. (Philippine Daily Inquirer)

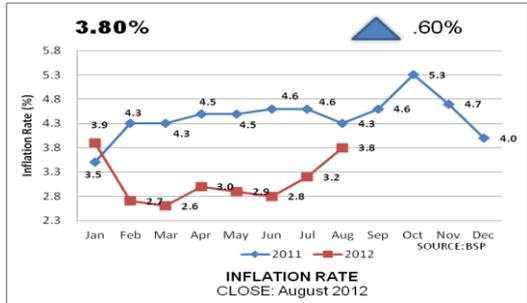
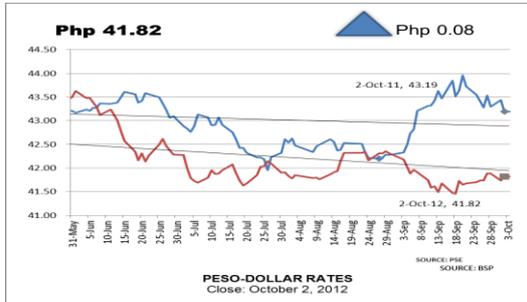
INDUSTRY BUZZ

Japan auto sales drop for first time in 13 months

Japan's domestic auto sales declined compared with a year earlier for the first time in more than a year last month as the appetite for fuel-efficient vehicles weakened by the expiry of government subsidies late in the month. The end of the subsidies brings Japanese car makers back to the difficult place they were in before the government aid program began—searching for a way to maintain domestic output as the strong yen weighs against increasing local production for exports. (Wall Street Journal)

Peugeot Citroen: No recovery for years

The chief executive of PSA Peugeot Citroen, France's largest carmaker, admits his company is "in the eye of the hurricane" as Europe's car makers face an expected 6th straight year of falling sales in 2013. And things aren't expected to improve for years to come, says Philippe Varin. In response, the two-century old company is focused on taking its brands upscale and expanding globally, all while taking the difficult steps to shutter factories and shed workers in France's famously cosseted labor market. (Malaya Business Insight)



	Tuesday, October 2 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%

