



MACROECONOMIC SNAPSHOT

ADB raises growth forecast for Philippines from 4.8% to 5.5%

The Asian Development Bank has cited the Philippines as one of the few exceptional cases in terms of economic expansion, raising its growth outlook for the country from 4.8 to 5.5 percent for 2012 while it scaled down its forecasts for other developing countries in the region. In its latest "Asian Development Outlook" report, the increase in the growth projection for the Philippines took into account observations that the country was stronger than earlier anticipated in terms of withstanding the effects of global economic woes. "The Philippine economy continues to show strength despite global and regional economic slowdown," the ADB said in the report, which was released on Wednesday. ADB cited the rise in investments by local firms, robust household consumption, and increase in government spending as factors behind the latest growth forecast. (Philippine Daily Inquirer)

Government aiding exporters hurdle barriers to free trade

The government is intensifying efforts to help Philippine exporters hurdle the numerous technical barriers to trade being put up by countries as a way to protect their respective domestic industries in lieu of tariffs. Senen Perlada, director of the Bureau of Export Trade Promotion (BETP), said in the current set-up of multilateral trade with the stalled Doha Development Agenda (DDA) as the backdrop, an increase in protectionist measures in the form of non-tariff barriers are being noted in numerous economies. This, he said, is a way to get around the continuous dismantling of tariffs under the World Trade Organization (WTO) and the numerous regional and bilateral free-trade agreements (FTAs) that are sprouting. (BusinessMirror)

Inflation likely still high in September

The research arm of Metropolitan Trust & Bank Co. said inflation in September likely remained elevated due to high food prices. "September inflation, despite being lower than August's reading, is expected to settle at the 3.7-4% range," research analyst Mabelle Reynaldo said in Metrobank's "Weekly Views from the Metro" published yesterday. "The steady month-on-month figure is due to elevated food prices coupled with a slight slowdown in energy prices," she continued. Metrobank's outlook is within the Bangko Sentral ng Pilipinas' (BSP) forecast range of 3.4-4.3%, and close to the median projection of 3.8% by analysts polled by BusinessWorld. (BusinessWorld)

FINANCIAL TRENDS

PSEi closes at new all-time high

The local stock index closed at a new record high yesterday, shrugging off the weakness in the US and Asian markets, as investors banked on the improvement in the country's economic prospects. The benchmark Philippine Stock Exchange index (PSEi) rose 26.84 points or 0.5 percent to close at a record 5,375.52. (The Philippine Star)

Peso hardly moves as investors hedge over eurozone crisis

The peso moved sideways on Wednesday as investors weighed the effects on the global economy of the crisis in the eurozone, the slowdown of China, and stimulus measures implemented by central banks of various major economies. The local currency closed at 41.595 against the US dollar, down by half a centavo from the previous day's finish of 41.60:\$1. (Philippine Daily Inquirer)

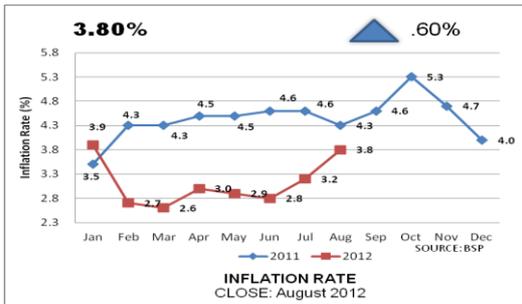
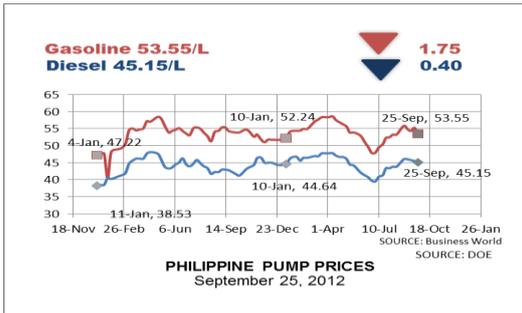
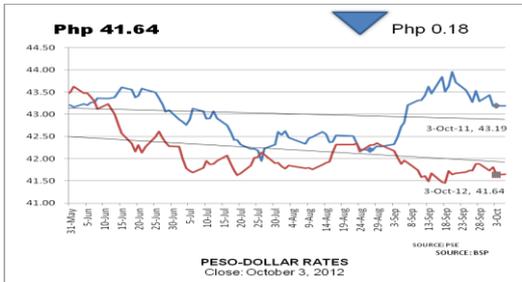
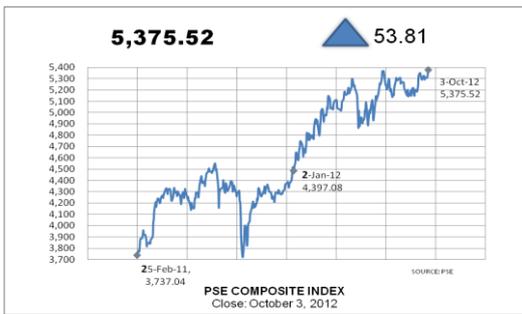
INDUSTRY BUZZ

Kia rises to 3rd in JD Power satisfaction survey

Kia jumped to third place just within a hair's breadth of number two Hyundai and two points shy of highest-ranked Honda in the just-released JD Power Asia Pacific 2012 Philippines Sales Satisfaction Index (SSI) Study. The JD Power study examines seven contributing factors to overall customer satisfaction namely: delivery process, delivery timing, salesperson, paperwork, deal, sales initiation, and dealer facility. The study points to a correlation between high levels of satisfaction and higher levels of repurchase intent and brand loyalty. "As more people are delighted by the experience of buying a Kia car, 44 percent of them say they 'definitely would' repurchase a Kia. The pleasant experience of buying, owning and maintaining a Kia keeps them loyal," said Dodie Ganac, vice president for marketing of Columbian Autocars Corp. (Philippine Daily Inquirer)

Passenger cars lift US sales

U.S. auto sales hit a 4 1/2-year high in September lifted by a big jump in passenger-car sales at Toyota Motor Corp., Honda Motor Co. and Chrysler Group LLC. Toyota reported its sales rose 42%, Honda's sales were up 31% and Chrysler notched a gain of 12%. Each was lifted by strong demand for passenger cars. Overall sales rose 12.8% from a year earlier to 1.19 million cars and light trucks, an annualized pace of 14.94 million vehicles, the highest rate since March 2008 before the U.S. recession, according to Autodata Corp. (Wall Street Journal)



	Wednesday, October 3 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%

