

## MACROECONOMIC SNAPSHOT

### Business climate seen to improve

Agricultural firms based in France, especially those engaged in farm technology, are seeing improvements in the business climate in the Philippines, according to the French Chamber of Commerce in the Philippines. In an interview at the Alliance Française de Manille, French Chamber of Commerce in the Philippines director Jean Caillard said that most French firms in the Philippines are primarily engaged in distribution. "But if they grow, they can eventually invest. Maybe manufacture for distribution to Asia... The investment climate in the Philippines has improved a lot already. All the macro indicators are good and we believe there are a lot of things that can be done in the Philippines," he said. (The Philippine Star)

### ADB allots \$1.8B for PH development

The Asian Development Bank has reiterated its commitment to help the Philippines achieve its development goals, saying it will earmark between \$1.7 billion and \$1.8 billion for its loan program for the country for the succeeding three years. Neeraj Jain, country director of ADB for the Philippines, on Wednesday said a significant portion of the money to be disbursed to the Philippines from 2013 to 2015 will be used to provide funding support for conditional cash transfers (CCT), education, community development projects, and other initiatives for poverty reduction. "We are a government partner, and we are supporting development initiatives of the country," Jain told reporters on Wednesday. (Philippine Daily Inquirer)

### Impact of trade agreements reviewed

The National Economic and Development Authority (NEDA) have underscored the need for the Philippines to assess the impact of trade agreements – particularly those where the country is a signatory – on its efforts to achieve inclusive growth and reduce poverty. This was stressed by Socio-economic Planning Secretary and NEDA Director-General Arsenio Balisacan during the recent Development Policy Research Month (DPRM) Research Fair 2012 in Makati. Balisacan urged research institutions particularly the Philippine Institute of Development Studies (PIDS) to look closely at how regional economic integration may be taken advantage of to provide high-quality jobs even for the unskilled workers. (Manila Bulletin)

## FINANCIAL TRENDS

### Market continues to climb, pierces 5,400

Philippine stocks rallied anew yesterday, breaching the 5,400-point barrier for the first time amid brighter growth prospects for the local economy and positive US economic data. The main benchmark index or the PSEi surged 1.27 percent or 68.22 points to finish at 5,443.74 as investors scooped up stocks of SM Investments Corp. and Ayala Corp. This is the third time the PSEi reached new all time-highs. (The Philippine Star)

### Peso surges on US jobs data, ECB rate view

The peso closed stronger for the third straight trading session yesterday on data showing strong jobs growth in the US in September and expectations the European Central Bank (ECB) will hold its key rate after a policy-setting meeting on Thursday. The local unit firmed up by 12.5 centavos to settle at P41.47 per dollar against its P41.595-perdollar close the day before. (BusinessWorld)

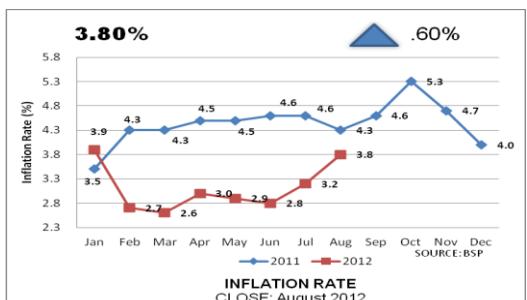
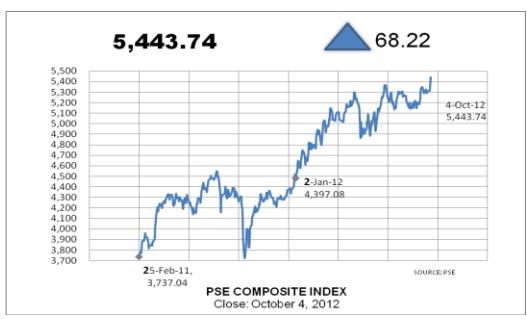
## INDUSTRY BUZZ

### Auto firms going all out to achieve industry target sales

According to the Chamber of Automotive Manufacturers of the Philippines Inc., or Campi, vehicle sales in the first eight months of the year improved on the back of an upbeat economy (despite a slight decline in August caused by strong monsoon rains that forced several customers to defer their purchases). As of end-August, the industry already sold 98,725 vehicles, a figure that is on track to reach or even surpass market forecast of 185,000 unit sales by end of the year. "The continued strong performance posted by the industry is a clear sign that supply is now stable and manufacturers are able to serve strong demand of the market," lawyer Rommel Gutierrez, president of Campi, said in a statement. (Manila Bulletin)

### JMC opens 2 more dealerships in North Edsa, Zamboanga

Dreamco Automobile Corp., exclusive Philippine manufacturer and distributor of JMC commercial vehicles, announced last week the opening of two new dealers bringing to a total of 14 its network of sales and service shops all over the Philippines. The new dealerships, JMC North Edsa and JMC Zamboanga, are found along the southbound corridor of the historic Edsa in Manila and in the capital of Zamboanga City in Mindanao respectively. These companies were formally listed into Dreamco's list of dealers beginning Oct. 1, 2012. (Philippine Daily Inquirer)



	Thursday, October 4 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	7.44%	7.45%	7.79%

