

MACROECONOMIC SNAPSHOT

Modest Global Trade Rebound Seen

Global trade is expected to modestly rebound in 2013 although it is still in "tailwinds of the crisis," according to the World Trade Organization (WTO) assumption. WTO Director-General Pascal Lamy said that trade growth is expected to modestly rebound to 4.5 percent in 2013 with exports of developed and developing economies increasing by 3.3 percent and 5.7 percent, respectively and imports increasing by 3.4 percent and 6.1 percent. "It is clear that the world is still working its way out of the crisis. We remain caught in the tailwinds of the crisis and it may be many more years before we can safely say that we are in a sustained recovery mode," Lamy said in his address at the Research Institute of Economy, Trade and Industry in Tokyo last week. This situation has only shown the growing interdependence of nations on how to collectively craft global trade and economic policies going forward. (Manila Bulletin)

OFW remittances up 5.5% in August

Money sent home by Filipinos abroad rose at its fastest pace in eight months in August, driven by sustained demand for overseas Filipino workers (OFWs) and improving financial channels abroad, the Bangko Sentral ng Pilipinas (BSP) reported last Monday. Cash remittances coursed through banks amounted to \$1.797 billion, up 7.6 percent from year-ago level. This was the fastest rise since November 2011's 10.6 percent, BSP data showed. As of August, cash remittances reached \$13.733 billion, an improvement of 5.5 percent from the \$13.021-billion remittance last year. This exceeds BSP's five-percent expansion seen for the year. (The Philippine Star)

BIR misses 9-month target by 3.5%

The Bureau of Internal Revenue collected P71 billion in September, falling short of its monthly target for the third month in a row but growing at a double-digit rate from a year ago for the seventh month this year. According to BIR data released on Monday, September collection was 4 percent, or P2.9 billion, lower than the P73.9-billion goal for the month. However, last month's yield was 6.8 percent, or P4.5 billion, higher than the P66.5 billion collected in September 2011. Tax inflow last month brought revenues for the nine months to September to P772.5 billion, missing the target of P800.3 billion by 3.5 percent, or P29.8 billion. The nine-month collection was 12.6 percent, or P86.2 billion, higher than the P686.3 billion posted in the same period of 2011. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Local shares end 0.31% higher

Local shares closed higher for the second day yesterday, tracking gains in overseas equities markets as risk sentiment improves following better than expected US retail sales data. The bellwether Philippine Stock Exchange index (PSEi) rose 16.72 points or 0.31% at 5399.94 in heavy volume. A total of 9.5 billion shares valued at P7.15 billion was traded with 118 issues gaining, 59 losing and 31 unchanged. (Manila Bulletin)

P/\$ rate closes at P41.33/\$1

The peso exchange rate closed higher at P41.33 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.455 the previous day. The weighted average rate appreciated to P41.378 from P41.496. Total volume amounted to \$1.021.15 billion. (Manila Bulletin)

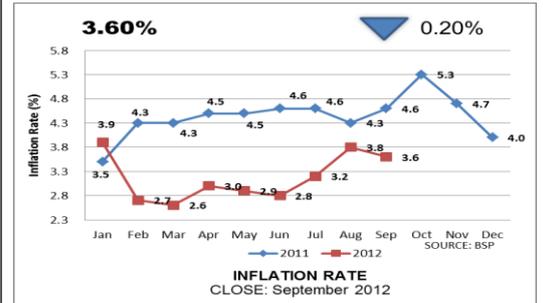
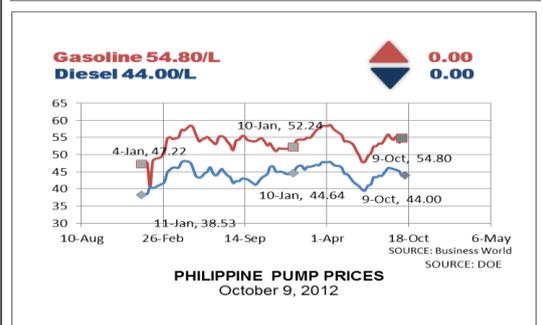
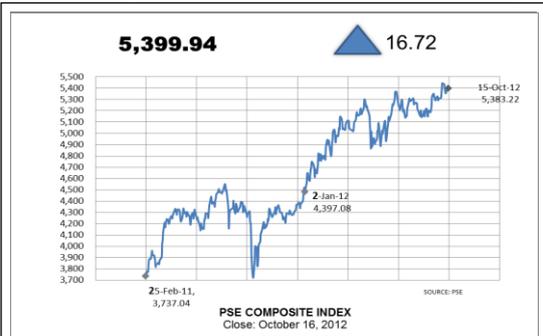
INDUSTRY BUZZ

Auto importers saw 20% rise in sales in Q1-Q3

Vehicle importers on Monday reported that, from January to September, their combined sales grew 20 percent year on year with both passenger car and light commercial vehicle (LCV) segments improving. The Association of Vehicle Importers and Distributors Inc. (Avid) pointed to a record sales figure of 21,762 units in the first nine months of 2012, from 18,086 units in the same period last year. In the nine months to September, passenger car sales maintained a robust pace with 38 percent growth to 12,931 units sold. Leading the pack during the period were British United Automobiles Inc. (Mini), The Covenant Car Company Inc. (Chevrolet) and Hyundai Asia Resources Inc., posting 35 percent, 26 percent and 15 percent growth, respectively. (Philippine Daily Inquirer)

VW eyes building budget cars for new markets

Europe's biggest carmaker, Volkswagen, said it was considering selling "budget cars" that cost as little as \$6,500 in emerging markets "within two years." "We need a cheap car for the emerging markets that would cost between \$6,500 and \$13,000," the head of the works council representing the firm's employees, Bernd Osterloh, told the business daily Handelsblatt. He added he could imagine "such a model being ready in two years." The firm should "attack new markets like Southeast Asia or Africa more aggressively," he stressed. (The Manila Times)



	Tuesday, October 16 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	0.71%	2.15%	3.85%
Lending Rates	7.57%	7.44%	7.79%

