

DASHBOARD

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MACROECONOMIC SNAPSHOT

PH economy seen to remain most promising in SEA

The Philippines is expected to remain the most promising economy in Southeast Asia as the country performs better than the regional average, according to UBS Securities. The financial services firm said in a new report that the Association of Southeast Asian Nations appeared to operate in a "different dynamic" as efforts to build a single economy progressed. However, UBS noted that the Asean remained economically diverse—both in terms of size and level of development—even as it represented a population of some 600 million and a gross domestic product that was three-fifths that of Germany. "Of the larger economies, we think the Philippines will continue to prove to be the most surprisingly impressive," UBS said, citing analysis from economist Edward Teather. (Philippine Daily Inquirer)

Investments seen pouring into Mindanao

Million-dollar investments are expected to pour into Mindanao following the signing of a framework for a peace agreement between the Moro Islamic Liberation Front (MILF) and the government, a Cabinet secretary said yesterday. "There is a significant improvement in the peace and order situation, and investments will start coming in," Trade Secretary Gregory L. Domingo said last Wednesday. He said investments in power, mining, manufacturing and agriculture are expected to pour into Davao, Cagayan de Oro City, General Santos City, Bukidnon and some parts of the Autonomous Region in Muslim Mindanao (ARMM) in the next 12-18 months. "Some are for expansion, but most are new investments," Mr. Domingo said, citing interest from investors in Japan, France, India, and Malaysia. (BusinessWorld)

ADB cites weaknesses of microfinance sector

The Philippines is one of the leading countries in microfinance policy and regulation in Asia but it still lags in terms of scale and reach to the poor, the Asian Development Bank (ADB) said. "Of the 21 countries with ADB support during 2000-2010, ADB's efforts were effective in Cambodia, Pakistan, Philippines and Tajikistan, where notable improvements in the policy, legal, regulatory and supervisory frameworks were achieved," ADB said in a report released yesterday. The Philippines had 14,935 microfinance providers as of 2011, the ADB said, consisting of rural, thrift and cooperative banks, credit cooperatives and nongovernment organizations. However, the country lags in scale and outreach. ADB data showed that the Philippines' microfinance assets totaled \$920 million from 2000 to 2010, while Cambodia had \$1.653 billion and Vietnam, \$4.798 billion. (BusinessWorld)

FINANCIAL TRENDS

Local shares end slightly down

Local shares closed slightly lower yesterday, snapping a four-day rise and defying gains in regional equities. The main gauge Philippine Stock Exchange index (PSEi) ended 2.44 points or 0.04 percent lower at 5435.94 in heavy volume. A total of 13.6 billion shares valued at P6.42 billion changed hands with 95 losers, 70 gainers and 42 unchanged. (Manila Bulletin)

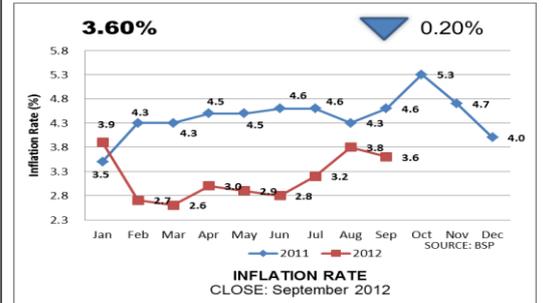
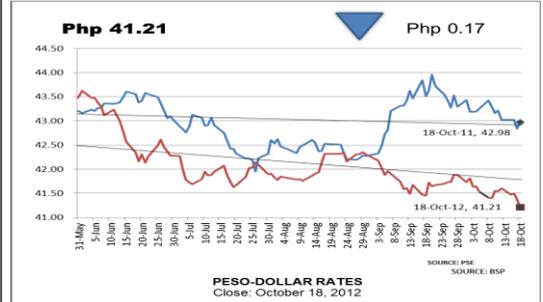
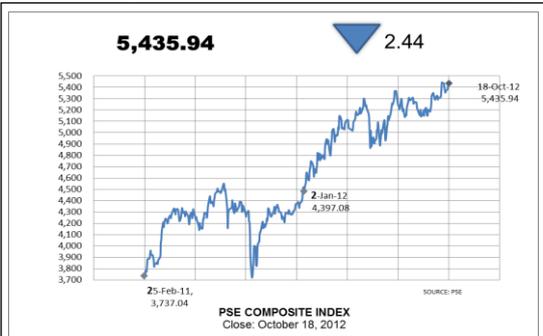
P/\$ rate closes at P41.32/\$1

The peso exchange rate closed lower at P41.32 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.185 the previous day. The weighted average rate depreciated to P41.27 from P41.21. Total volume amounted to \$982.8 million. (Manila Bulletin)

INDUSTRY BUZZ

Nissan to install electronic "steer-by-wire" in cars

Japan's Nissan Motor Co plans to equip some of its luxury cars with a system to control steering electronically, rather than mechanically, the first time so-called "steer-by-wire" technology will be used in mass-produced vehicles. The new technology will be introduced in some models of the Infiniti brand within a year, Nissan said at a briefing, paving the way for cars that could one day be steered by joysticks and be programmed to avoid crashes automatically. Traditionally, the steering wheel of a car and the tires are linked mechanically, giving the driver direct feedback about steering from the tires on the road. Using "steer by wire", inputs made by the driver through the steering wheel are transmitted to a computerized engine control unit, which instructs an actuator how to move the tires. The cars will also have a backup clutch that will link the steering wheel and tires mechanically in the event of any problems, but Nissan hopes this won't always be needed. "In the future, if we are freed from that, we would be able to place the steering wheel wherever we like, such as in the back seat, or it would be possible to steer the car with a joystick," said Masaharu Satou, a Nissan engineer. (BusinessWorld)



	Thursday, October 18 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%

