

DASHBOARD

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MACROECONOMIC SNAPSHOT

Indonesia leads Phl in race to investment grade

In a report titled "The Race to Investment Grade: Indonesia and the Philippines," S&P addressed investor questions with regard to the two countries seen to be Asia's leading bright spots at this time of global economic turmoil. Under S&P's metrics, the Philippines and Indonesia are both at BB+, a notch below investment grade status. Indonesia, however, has a positive outlook, which means S&P could upgrade its rating within 18 months. Philippines, on the other hand, has a stable forecast. "Aside from slower growth, the Philippines has made little inroads in improving family planning. Its relatively high population growth rate (averaging about two percent per year), compared with 1.3 percent in Indonesia, also detracts from attaining higher per capita wealth levels," S&P said. But the country is not all behind Indonesia when it comes to other factors such as political stability and external strength. S&P said a positive rating for Indonesia does not mean the country will be upgraded first before the Philippines. (The Philippine Star)

BOI investments hit P200B, halfway to 2012 goal

The Board of Investments (BOI) has approved some P200 billion worth of investments to date, according to Trade Undersecretary Cristino L. Panlilio. This is equivalent to just half of this year's target of P400 billion and the slow influx of investments was attributed to challenges in the permitting process for sectors such as energy and mining. "And we are continuing to work hard to increase that," Panlilio said in a briefing Thursday, noting that there was still time for new investments to come in. The BOI wants to generate about P400 billion worth of investments this year, having posted P368 billion in 2011. (Philippine Daily Inquirer)

Gov't spending seen to have picked up pace

The government is expecting a budget deficit in September after posting a surplus in August, Budget Secretary Florencio B. Abad said, citing accelerated spending during the period. At the sidelines of a forum on health financing Thursday, Abad said that government spending in September was "much better than August." "The rate of spending was higher than the rate of collection," Abad told reporters. The Department of Budget and Management already deployed account management teams in key departments in a bid to improve the pace and quality of public spending. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Share prices seen to consolidate

Share prices are likely to consolidate in the short term after the market ended on a sideways mood last week. BPI Securities noted that trading has been limited to second and third liner stocks. Total market value turnover increased by P65 million to P6.49 billion, while net foreign selling stood at P78 million. The most actively traded stocks were APM, SM, PLDT, AGI, Ayala Land, Ayala Corp., EG and MWC. Advances outnumbered declines 82 to 80 while 47 were unchanged. Week on week, the PSE advanced 62 points (+1.15%). (Manila Bulletin)

P/\$ rate stands at P41.39/\$1

The peso exchange rate stands at P41.39 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P41.395. (Manila Bulletin)

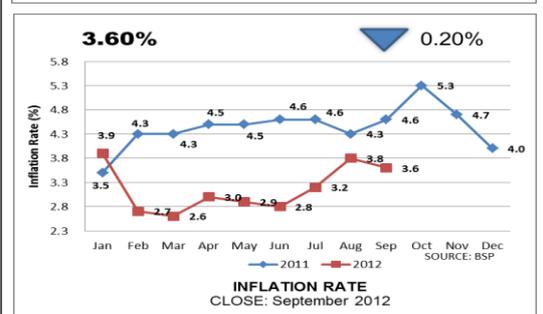
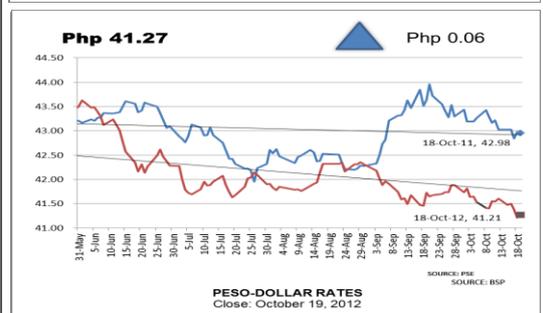
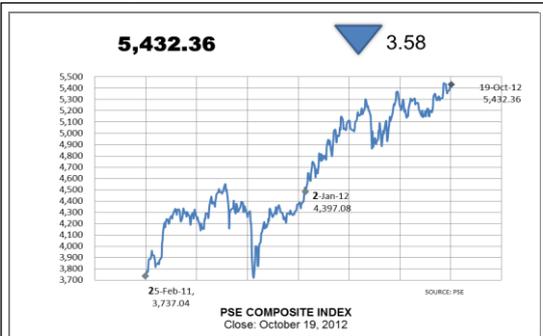
INDUSTRY BUZZ

Volvo Cars appoints new CEO to get China plan on track

Car maker Volvo has relieved its chief executive for a former trucks boss who faces the daunting task of turning around flagging sales and accelerating a push into the home market of its Chinese owner. Former MAN SE boss Hakan Samuelsson replaces German Stefan Jacoby. Volvo, bought from Ford Motor Co by Zhejiang Geely Holding Group for \$1.8 billion in 2010, aims to spend about \$11 billion to double total annual sales to 800,000 cars by 2020 and boost sales in China to 200,000, from only 47,000 last year. (BusinessWorld)

Audi enters Q3 as its bet in the premium compact SUV niche

Audi is venturing into a new market segment as it sends its Q3 to duke it out in the country's premium compact SUV ring. Audi Phils. said the Q3 that is offered in the Philippines is powered by a 2.0-liter, four-cylinder, turbocharged diesel engine that produces 177 horsepower. With a direct injection system and a start/stop function, the engine ensures the Q3 is efficient yet powerful. Audi said the Q3 has already garnered awards this year, with the vehicle having clinched the "2012 Off Road Award" of Off Road magazine, and "Best in Class" in the 2011 Euro NCAP crash tests as it received five stars – the highest possible score – for passive crash safety. (Manila Times)



	Friday, October 19 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	7.56%	7.44%	7.79%

