

## MACROECONOMIC SNAPSHOT

### Economic growth in H2 seen within government target

The National Economic and Development Authority (Neda) is confident that economic growth in the second semester will be within the government's 5- to 6-percent target. This was despite the decline in the composite leading economic indicators (LEI) for the third and fourth quarters, forecasting a possible economic weakening in the second semester. "I think there is a very strong, high probability," said Economic Planning Secretary Arsenio Balisacan, when asked if economic growth in the second semester will still fall within the government's full year target. (Philippine Daily Inquirer)

### PH consumers among world's most bullish

Filipino consumers continue to have one of the highest confidence levels to spend in the third quarter of the year among residents of 58 countries surveyed by media research firm Nielsen. Despite this, the latest results of the Consumer Confidence Index showed that spending remained "restrained" and that saving was the top priority for those surveyed. Just like in the previous quarter, the Philippines was ranked third, behind Indonesia and India, in consumer confidence levels, with a score of 118, up from 112 in the same quarter last year. "This paints a positive picture for the third quarter of 2012," Nielsen Philippines managing director Stuart Jamieson said in a statement. "The high confidence can be attributed to the positive perception regarding local job prospects in the country for the next 12 months, which at this point is the second-highest worldwide." (Philippine Daily Inquirer)

### Spending still lagging

Infrastructure spending remained well below the full-year program as of September, Budget department data showed, as disbursements to some agencies were underutilized and funds remained unreleased. The nine-month tally of P136.5 billion, while a significant improvement from the P86.1 billion recorded in the comparable 2011 period, was just 45.8% of the full-year goal of P297.98 billion. "This is predominantly due to the underutilization of NCAs (notices of cash allocation) by the DPWH (Department of Public Works and Highways), as well as the low obligation rate for farm-to-market road projects and large unreleased balances for public-private partnership strategic support funds," Budget Secretary Florencio B. Abad said. (Business World)

## FINANCIAL TRENDS

### Earnings, Sandy to give cues

Stocks are expected to move within a narrow range this week, with local companies' third-quarter profit reports likely to be eclipsed by news on restoration efforts in the US East Coast following the recent onslaught of Hurricane Sandy there. The Philippine Stock Exchange index (PSEi) rose by 0.36% to 5,424.51 last Wednesday from 5,405.16 on Thursday the week prior, while the broader all-share index gained 0.15% week on week to 3,580.59 versus 3,575.42. (BusinessWorld)

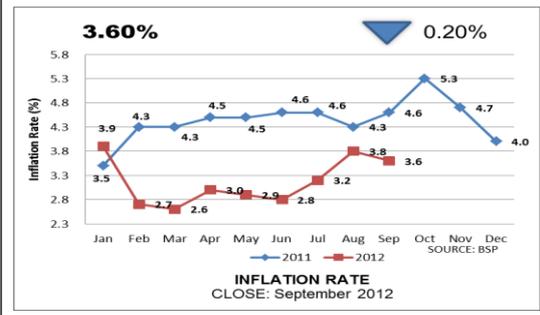
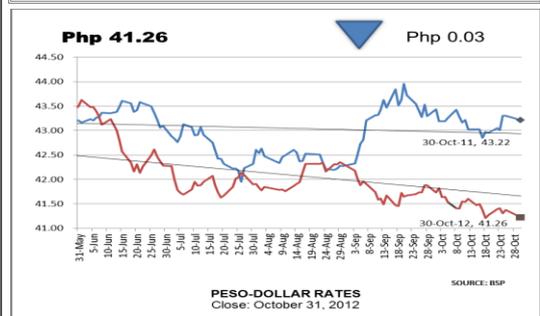
### P/\$ rate stands at P41.18/\$1

The peso exchange rate stands at P41.18 to the US dollar, the closing rate last Wednesday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P41.208. (Manila Bulletin)

## INDUSTRY BUZZ

### Rock-solid economy paves way for entry of Bentley

Über-luxury car brand Bentley is coming to our shores. Just recently, PGA Automobile Inc. announced its appointment by the British luxury car manufacturer Bentley Motors Ltd. as the authorized sole importer and distributor in the Philippines. "We believe that Bentley will appeal to a very distinct and highly select niche segment even within our existing luxury vehicle core customer group. These individuals desire an elegant and traditional motoring driving experience uniquely combined with high tech automotive engineering and uncompromising dynamic performance," said Bentley Manila GM Amado del Rosario, adding that while they expect Bentley owners to be few, they will still be more than enough to sustain the business. The appointment covers sales and retail of Bentley's exclusive collections that included the ultra-fast and ultra-luxurious tourer, the Continental GT and the all-new ultra-luxury flagship sedan Mulsanne. This will be supported by the full complement of aftersales capability, utilizing a dedicated service facility equipped with a comprehensive set of specialized tools for the various models in the Bentley range. Bentley Manila, the first Bentley facility in the country, is scheduled to open its showroom at the PGA Center in Greenhills in the first quarter of 2013. (Philippine Daily Inquirer)



|                          | Wednesday, October 31 2012 | Last Week | Year ago |
|--------------------------|----------------------------|-----------|----------|
| Overnight Lending, RP    | 5.50%                      | 5.75%     | 6.50%    |
| Overnight Borrowing, RRP | 3.50%                      | 3.75%     | 4.50%    |
| 91 day T Bill Rates      | 0.46%                      | 0.71%     | 3.85%    |
| Lending Rates            | 7.52%                      | 7.60%     | 7.79%    |