

## MACROECONOMIC SNAPSHOT

### Filipino business confidence rises amid global volatility

A sharp decline in business confidence in many rapidly growing economies is raising a warning flag that global business may face continued volatility for some months to come, but the Philippines is bucking the trend with confidence levels climbing 10 points in the Regus Business Confidence Index (from 136 to 146) since April this year. Business confidence in some of the world's leading growth economies has dropped significantly over the last six months. Despite the fall, levels of business confidence in rapidly growing economies still remained well ahead of levels in mature economies—yet this setback should act as a warning flag for businesses across the world to stay nimble and expect further volatility before a general global upturn, according to the latest Regus Business Confidence Index (BCI). (Philippine Daily Inquirer)

### Gov't debt payments slowed down by 3% in Jan-Sept

The Aquino administration's debt payments slowed down slightly during the first three quarters of the year as a result of the lower principal payments for September. Data from the Bureau of the Treasury showed that debt payments for the nine-month period ending September reached P579.79 billion, almost 3 percent lower than the P597.51 billion spent for the same period last year. Principal payments as of end-September reached P334.54 billion, 11 percent lower than the P375.06 billion recorded last year. For the month of September alone, the government spent P68.7 billion to pay off its debts, some 5 percent lower than the P72.4 billion spent during the same period last year. (BusinessMirror)

### Exporters see need to grow at faster pace

The country's exports will have to grow at rates faster than initially targeted starting next year in order to meet the \$120 billion goal by 2016, as this year's result is likely to be lower than expected, the Export Development Council (EDC) said. "We can still double-up (exports) by 2016 but in the next years, growth should be about 14 or 15 percent (per year)," EDC executive director Senen Perlada said in a chance interview. The country is aiming for an 11 percent growth in exports per year from next year to hit \$120 billion in 2016 from \$51.498 billion in 2010. For this year, exports are targeted to grow 10 percent from last year's \$47.967 billion. The exports growth target for this year may be not achieved though, given the weak performance of electronics shipments. (The Philippine Star)

## FINANCIAL TRENDS

### PSEi climbs to fresh peak

Stocks rallied and closed at a new all-time high on Monday on expectations of more reports of robust third-quarter earnings after the country's largest banks yesterday disclosed double-digit income growth. The Philippine Stock Exchange index (PSEi) advanced by 0.61% or 33.31 points to close at 5,457.82, while the broader all-share index gained 0.10% or 3.58 points to 3,584.17. (BusinessWorld)

### P/\$ rate closes at P41.24/\$1

The peso exchange rate closed lower at P41.24 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.18 last Wednesday. The weighted average rate depreciated to P41.245 from P41.208. Total volume amounted to \$672.7 million. (Manila Bulletin)

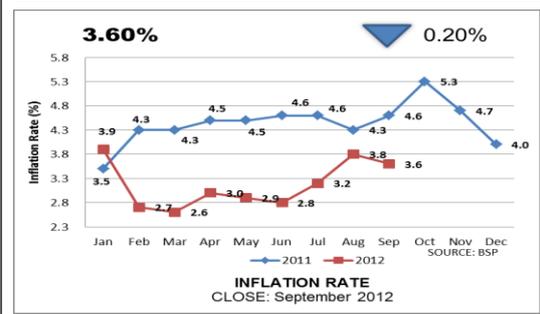
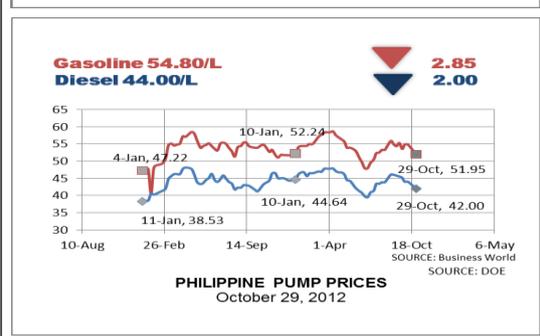
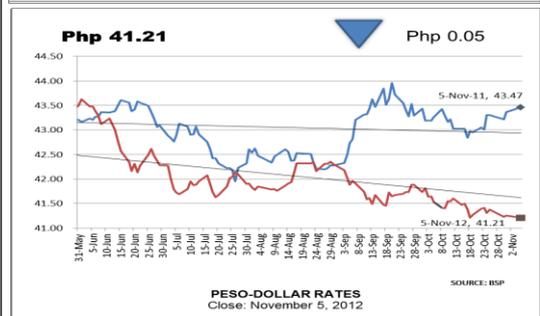
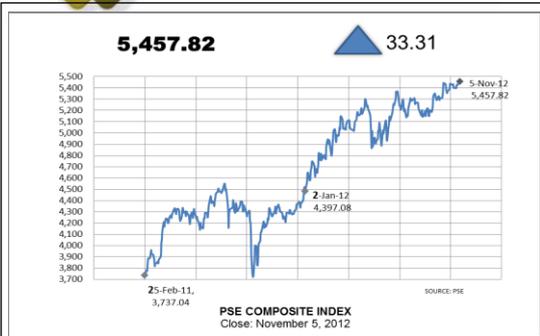
## INDUSTRY BUZZ

### October U.S. auto sales climb 7%

U.S. auto sales continued to climb in October despite the impact of Hurricane Sandy in several East Coast states, keeping the industry on track to sell almost 2 million more cars and trucks this year than last. Auto makers sold 1,092,205 light vehicles last month, up 7% from October 2011, according to researchers, sales total by about 25,000 cars and trucks, auto makers said. Chrysler Group LLC and Toyota Motor Corp. led the industry with double-digit percentage gains over a year ago, while Ford Motor Co. and General Motors Co. logged smaller increases as they held the line on incentives. Honda Motor Co.'s sales gains slowed but it still posted a larger percentage increase than Ford and GM. (Wall Street Journal)

### Nissan building second Thailand plant

Nissan Motor Co. Ltd. said on Friday it is investing 11 billion baht (\$358 million) to build a second assembly plant in Thailand that will have an annual production capacity of 75,000 vehicles when it opens in August 2014. Capacity would eventually be raised to 150,000 vehicles, half destined for the Thai market and half for export. (Manila Bulletin)



	Monday, 5 November 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	7.51%	7.52%	7.79%