

MACROECONOMIC SNAPSHOT

PH, other Asia markets seen to lead growth in '13

The global economy may have to feed off the optimism and good fortunes of emerging markets like the Philippines next year following a grim fourth quarter of 2012, according to the International Institute of Finance. The Washington DC-based think tank said in a report that global growth would "decelerate somewhat in the fourth quarter," and push full-year global growth to 2.5 percent, down from 2.9 percent in 2011 and 4 percent in 2010. "With the exception of Asia, our view remains that Q3 results contain a lot of noise as opposed to signals," the IIF said. "On balance, underlying global growth is probably accelerating, although this is only a marginal gain from a very subdued pace." Even then, the think tank said it would expect better numbers for the global economy in 2013, led by the emerging markets. "Our projections for 2013 tend to be somewhat more optimistic for high-growth countries," it added. "This applies to a number of Asian countries, such as the Philippines." (Philippine Daily Inquirer)

Agri output up 1.93% in 1st 9 months

The country's agricultural production grew at a slower pace of 1.93 percent in the first nine months of the year from a growth rate of 4.72 percent a year ago because of continued slowdown in fish production, the Bureau of Agricultural Statistics (BAS) reported yesterday. The gross value of farm output in the first nine months of the year was valued at P956 billion at current prices, down by 0.23 from last year. "Declining prices of major commodities in the crops and livestock subsectors led to the 0.23 percent decrease in gross earnings during the reference period," the BAS said. (The Philippine Star)

Aquino, Swiss leader affirm economic ties

The Philippines and Switzerland plan to establish a consultation mechanism for trade and investment, as leaders of the two countries affirmed economic ties. In a statement released yesterday, the Foreign Affairs department said President Benigno S. C. Aquino III conducted bilateral talks on Monday with Swiss President Eveline Widmer-Schlumpf at the sidelines of 9th Asia-Europe Meeting (ASEM9) in Laos. "The two leaders agreed to convene the Philippines-Switzerland Joint Economic Commission (JEC) - a consultation mechanism to facilitate bilateral discussions on trade and investment cooperation," the statement read. (BusinessWorld)

FINANCIAL TRENDS

Local shares close 0.66% down

Local shares closed lower yesterday, weighed by profit taking following the market's ascent to a new record close Tuesday. The benchmark Philippine Stock Exchange index (PSEi) was off 36.32 points or 0.66 percent 5437.29, with all sub-indexes in the red. Volume was heavy. A total of 6.0 billion shares valued at P9 billion changed hands with 114 issues falling, 51 gaining and 47 unchanged. (Manila Bulletin)

P/\$ rate closes at P41.06/\$1

The peso exchange rate closed higher at P41.06 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.21 the previous day. The weighted average rate appreciated to P41.128 from P41.241. Total volume amounted to \$968 million. (Manila Bulletin)

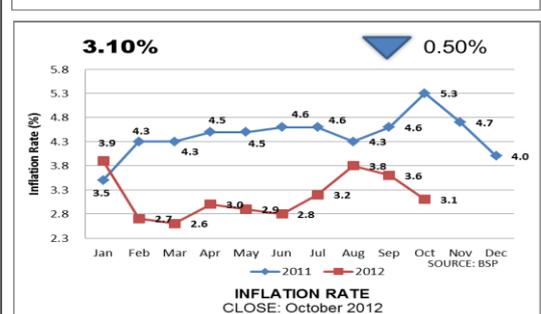
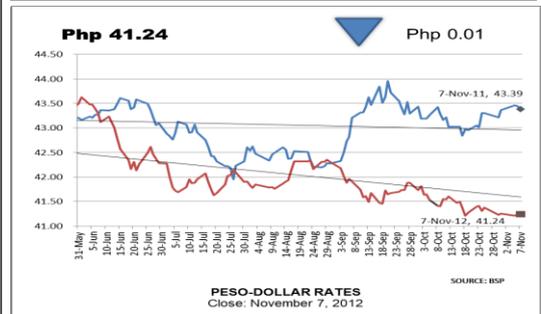
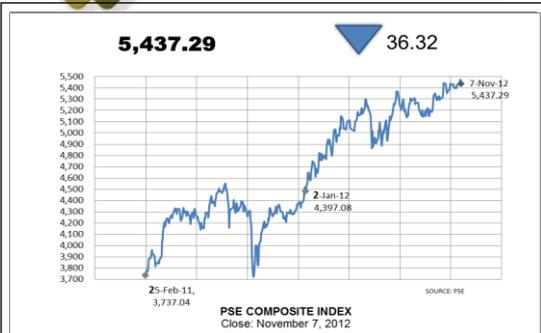
INDUSTRY BUZZ

BMW profit rises despite high costs, economic slowdown

German car maker BMW AG's net profit rose 16% to 1.28 billion euros (\$1.64 billion), while closely watched earnings before interest and tax, or Ebit, was up 14% to EUR2 billion. Third-quarter revenue was up 14% at EUR18.8 billion, driven by a 9% sales rise to 434,963 vehicles. "We expect further sales volume growth for the fourth quarter, even though it is clear that we--and indeed the sector as a whole--are likely to be confronted with adverse business conditions," BMW Chief Executive Norbert Reithofer said in a statement. (Wall Street Journal)

American Suzuki set to file for bankruptcy, end auto sales

American Suzuki Motor Corp. (ASMC) said on Monday it will file for bankruptcy protection and will stop selling cars in the US. Suzuki said that its "automotive division was facing a number of serious challenges," including the low sales volume, a dearth of models, the unfavorable exchange rate between the US dollar and the Japanese yen, the cost of the maintaining a dealership network and the regulatory environment for the automotive industry in the US. Analysts said the company had trouble competing in the US. (BusinessMirror)



	Wednesday, 7 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%

