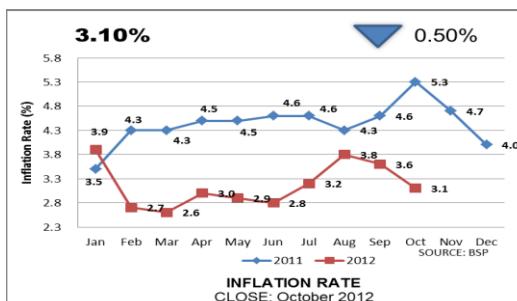
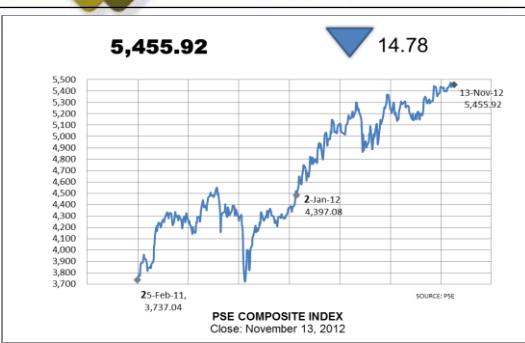


Changing News. Your Guide.

AVID Daily E- News

November 14, 2012

Volume 4 No. 80



	Tuesday, 13 November 2012	Last Week	Yearago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.46%	0.46%	3.85%
Lending Rates	7.49%	7.50%	7.79%

MACROECONOMIC SNAPSHOT

NEDA says PH economy an evolving model

The country's economy is an evolving model of good governance, guiding political and administrative innovations, according to the government's strategic planning agency. The National Economic and Development Authority (NEDA) said the Philippines has an evolving economic growth model that particularly involves political and administrative innovations related to good governance. NEDA's national planning and policy director Rosemarie G. Edillon said the model takes into account public trust in government institutions as a factor for spurring national development. Edillon said it is an evolving model that still involves labor and capital, but that innovations play a huge role. (The Philippine Star)

Jan. to Aug. FDI rose 61% to \$1.04B

Foreign direct investments or FDI – favored by the government because they stay for the long haul and generate taxes and employment – rose 61 percent in the first eight months to \$1.04 billion. This developed no matter that some of the local subsidiaries repatriated a portion of their earnings to pay loans owed to their foreign principals during the period. According to the Bangko Sentral ng Pilipinas (BSP), FDI in those eight months stood at \$1.038 billion, which was 1.6 times larger than a year earlier when this totaled only \$644 million. The foreign investments consisted of \$1.14 billion in equity capital poured into various manufacturing entities in the country, real-estate companies, wholesale and retail as well as the financial and insurance sectors. (BusinessMirror)

Japan edges to recession after economy shrank in Q3

Japan's economy shrank last quarter as exports tumbled and consumer spending slumped, putting pressure on the central bank to add stimulus and hurting Prime Minister Yoshihiko Noda's record as he prepares for elections. Gross domestic product fell an annualized 3.5 percent, the most since the earthquake and tsunami in early 2011, Cabinet Office data showed on Monday in Tokyo. The median of 23 estimates in a Bloomberg News survey was for a 3.4-percent decline. Shipments to Asia, Europe and the US all slid, as did capital spending. With analysts also seeing a gross domestic product (GDP) decline this quarter, according to a Bloomberg survey last week, Japan faces the risk of its third textbook-definition recession since 2008. The deterioration may undermine plans by Noda to implement the nation's first sales-tax rise in more than a decade, and raises the stakes of a political impasse that's left the government running out of cash. (The Philippine Star)

FINANCIAL TRENDS

Local shares close 0.27% down

Local shares closed lower yesterday, as most investors were on the sidelines in the absence of major leads. The bearish market also reflected dull trading in the region. The benchmark Philippine Stock Exchange index (PSEi) was 14.78 points or 0.27% down at 5455.92. Volume was moderate. A total of 3.43 billion shares valued at P4.82 billion changed hands. Losers outnumbered gainers 91-69 with 52 issues unchanged. (Manila Bulletin)

P/\$ rate closes at P41.115/\$1

The peso exchange rate closed lower at P41.115 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEEx) from P41.075 the previous day. The weighted average rate depreciated to P41.128 from P41.084. Total volume amounted to \$635.97 million. (Manila Bulletin)

INDUSTRY BUZZ

Vehicle firms post strong October sales

Members of the Chamber of Automotive Manufacturers of the Philippines (Campi) posted a 12-percent growth in October sales to 15,081 units from 13,456 units in the same month last year. The sales for October were the highest registered for the year and 17 percent more than the 12,857 units sold in September, the group said. On a year-to-date basis, Campi members sold 126,663 units, or 7-percent higher than the January-October sales of 118,762 units in 2011. "We are very pleased with the outstanding performance of last month's sales. This was a result of all manufacturers being very aggressive with their marketing efforts coupled with an influx of new model introductions the past months," Campi president Rommel Gutierrez said in a statement. Gutierrez is also vice president of Toyota Motors Corp. Toyota led the industry in the first 10 months by garnering 42 percent of the market. It was followed by fellow Japanese manufacturers Mitsubishi Motors Philippines Inc. with 22 percent and Honda Cars Philippines Inc. with 8 percent. A far fourth was Isuzu Motors with a 7-percent market share and Ford Philippines with 5 percent. (Philippine Daily Inquirer)

