AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

DASHBOARD

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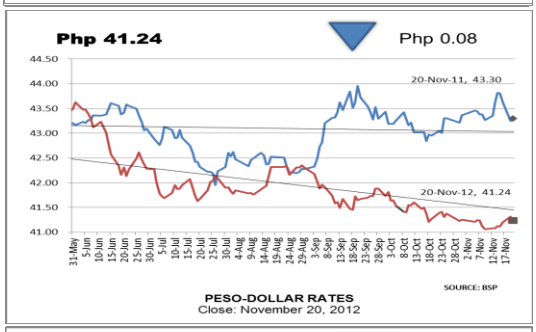

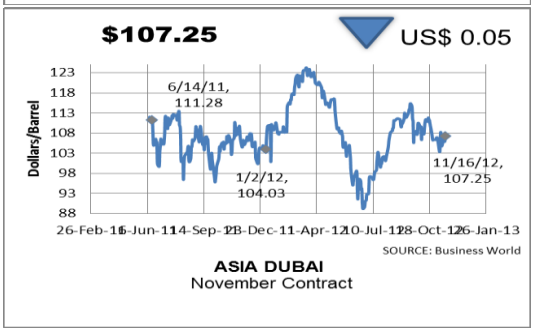

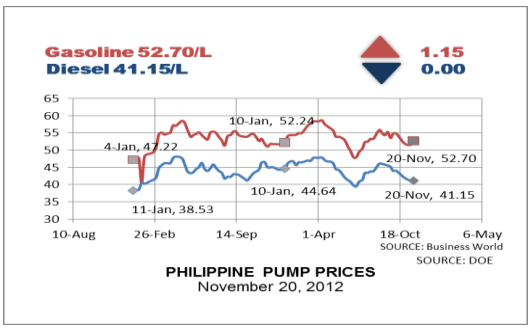

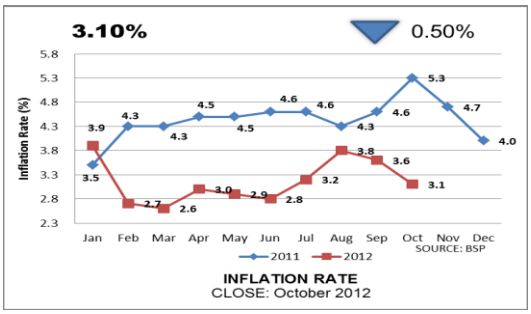

	Tuesday, 20 November 2012	Last Week	Year ago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.15%	0.15%	3.85%
Lending Rates	7.42%	7.52%	7.79%

MACROECONOMIC SNAPSHOT

Debt-to-GDP ratio to fall – Moody's

Moody's Investors Service sees the Philippines' debt-to-gross domestic product (GDP) ratio for this year settling well below the government's program and interest payments to reduce on the back of the government's largely successful liability management initiatives and improved revenue collections. "We expect the national government's gross debt burden to fall to below 50% of GDP this year from 54.8% in 2009 and 74.4% in 2004. Interest payments as a share of revenue are also set to shrink below 20% this year, down from 24.9% in 2009 and 36.9% in 2004, providing fiscal space for much-needed capital expenditure and social spending," said Moody's Assistant Vice-President Christian de Guzman in the Nov. 19 issue of Moody's Credit Outlook. (BusinessWorld)

Exporters told: meet global standards

Export Development Council (EDC) Executive Director Senen Perlada disclosed that meeting the requirements of the global market is one of the key challenges facing the exporters. Perlada said the government is keeping exporters aware and informed what are the global standards and requirements of the export market or lose out to competitors. Perlada also urged exporters to continue diversifying and innovating to become competitive. Apart from the traditional markets United States and Europe, the Philippines hopes to increase prospects of entering emerging markets such as Brazil, Russia, India and China. (Manila Bulletin)

PH registers $600M surplus in balance of payments

The country registered a surplus of over $600 million in its balance of payments in October, driven partly by dollar inflows in the form of remittances, as well as investments in the business process outsourcing sector. The amount is about three times more than the $208 million recorded in the same month last year. "Exports, remittances, tourism receipts, and BPO revenues have been fueling the surplus," BSP Deputy Governor Diwa Guinigundo told reporters. The surplus in October brought the total for the first 10 months of the year to $6.4 billion. But the figure still represented a 35-percent decline from the $9.9 billion reported in the same period a year ago. Despite the year-on-year decline, the BSP said the surplus helped boost the country's total reserves of foreign exchange, now standing at a historic high of $82 billion. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Philippine stocks rise to new all-time high

The local stock market rose to unprecedented heights on Tuesday, bringing the main index to the 5,500 mark on rosy domestic economic prospects for 2013 alongside fresh hopes on the US economy. The main-share Philippine Stock Exchange index gained 51.03 points, or 0.94 percent, to close at 5,500.58. A new intraday peak of 5,510 was also recorded. (Philippine Daily Inquirer)

P/$ rate stands at P41.185/$1

The peso exchange rate stands at P41.185 to the US dollar, the closing rate on Monday at the Philippine Dealing & Exchange Corp. (PDEx). The weighted average rate stands at P41.239. (Manila Bulletin)

INDUSTRY BUZZ

GM ups capacity in no-frills China car market

General Motors Co. and its local partners, intensifying competition in China in the no-frills car market, on Sunday formally opened another plant for its low-cost Baojun brand. The plant in the southern China city of Liuzhou is Baojun's second producing cars priced as low as 40,000 yuan ($6,400). GM's new plant in Liuzhou, where GM operates as part of the SAIC GM Wuling Automobile Co. partnership, will eventually have capacity to produce 400,000 cars a year. GM officials said the plant was likely to produce cars not just for Baojun but the venture's other low-cost brand Wuling. It was not immediately clear when the new factory is expected to hit full capacity. (BusinessWorld)

Hyundai Oct sales down, but Jan-Sept figures up

Hyundai Asia Resources, Inc. (HARI), the local distributor of Hyundai vehicles, reported a nine percent drop in car sales in October from a year ago due to the delay in arrival of some vehicle models. In a statement yesterday, HARI said it sold 1,662 units in October, down from 1,822 units in the same month last year. HARI attributed the year-on-year decline in October sales to "delayed unit arrivals of some models." While HARI's sales fell year-on-year in October, cumulative sales for the January to October period grew 13 percent to 18,818 units this year from last year's 16,705 units. The rise in sales seen as of end-October was driven mainly by the PC segment. (The Philippine Star)