



MACROECONOMIC SNAPSHOT

IMF official says Phl may grow 6% this year

Philippine economic growth could reach "about six percent" this year, the International Monetary Fund (IMF) said yesterday, with the public and private sectors optimistic the momentum will continue in 2013. "We have not revised it yet but probably about six percent for the whole year," IMF resident representative Shanaka Jayanath Peiris said in an economic forum in Makati. The latest outlook was up from IMF managing director Christine Lagarde's forecast of "in excess of five percent" announced last month when she visited Manila. It was also stronger than the original 4.8 percent contained in the agency's World Economic Outlook (WEO) last October. "There was a strong third quarter growth so we will just tick it up higher," Peiris told The STAR after the forum. The WEO's January edition will reflect the changes. (The Philippine Star)

Gov't spent P622-B as of Oct. to bring down debt

The government spent P622 billion in the first 10 months of the year to pay debts, as part of the administration's commitment to improve the country's credit profile and secure an investment rating for the Philippines. Data from the Bureau of the Treasury said the debt payment as of October was P2 billion more than the P619.86 billion spent in the same period last year. Of the debt payment as of October, P355.36 billion was used to pay principal obligations while interest payments accounted for the rest. (Philippine Daily Inquirer)

UK keen on increasing trade, investments in key PHL areas

The United Kingdom has expressed interest in increasing trade and investments in the Philippines, particularly in information and communications technology (ICT) and public-private partnership (PPP). "The UK sees the Philippines as [our] increasing partner for growth. The UK Trade and Investment [UKTI] and the British Embassy are not only working on smart cities but also opportunities with PPP, retail, education, energy and health care," British Minister of State for International Development Allan Duncan said. Duncan added that the UK's increasing interest in the Philippines is also supported by Manila's ranking in the World Economic Forum's (WEF) Global Competitiveness Report. The Philippines climbed 10 spots to No. 75 this year, with significant gains in macro-economic environment, technological readiness and good market efficiency. (BusinessMirror)

FINANCIAL TRENDS

Stocks may see sideways consolidation with upward bias

Local stocks may see sideways consolidation pattern with an upward bias amid a growing economy and expectations of another interest rate cut. "Looking ahead to the next two weeks, there are hardly any negative influences that may pull the market lower. On the domestic front, the biggest potential news is another rate cut by the central bank on Dec. 13," said Jun Calaycay of Accord Capital Equities Inc. Calaycay said the listing of D&L Industries on the exchange may also boost liquidity. (The Philippine Star)

P/\$ rate stands at P40.945/\$1

The peso exchange rate stands at P40.945 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.931. (Manila Bulletin)

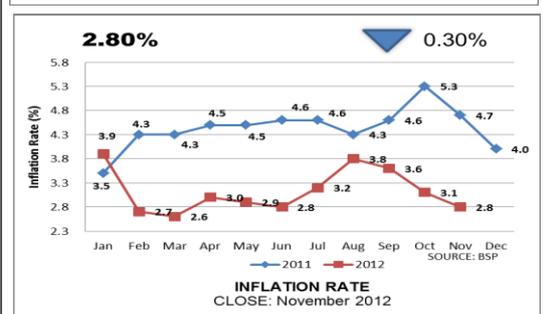
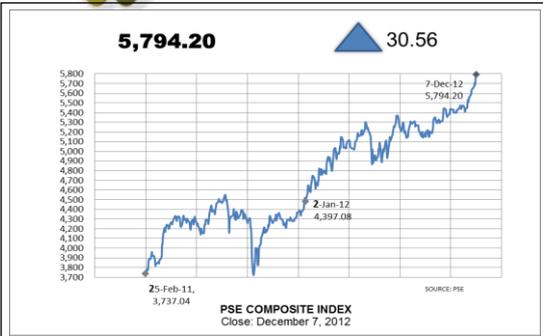
INDUSTRY BUZZ

Honda expects to be net exporter from North America

Honda Motor Co, maker of the best-selling Civic compact car, expects that within two years it will export more cars and light trucks built at its seven North America plants than it imports from Japan and that those factories will take on a larger role in global product development. The Japanese automaker said in a statement on Wednesday that at the same time, operations in North America would assume a "larger responsibility for the introduction of global automobiles sold in multiple countries." (BusinessWorld)

Toyota China sales tumble again in November

Toyota Motor Corp is still struggling to revive sales in China, part of a broader slump Japanese car firms are suffering as a result of a diplomatic row between the countries. Toyota's sales in China totaled roughly 60,000 vehicles last month, a senior company executive said, compared with 81,800 cars the company and its Chinese partners sold in November last year. The pace of the last month's decline - roughly 25 percent from a year earlier - eased from the previous two months but was still "far off from our more normalized and targeted sales pace," said the Toyota executive who declined to be named because the information had not yet been made public. (BusinessWorld)



	Friday, 7 December 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	0.20%	0.20%	3.85%
Lending Rates	7.60%	7.53%	7.79%

