



MACROECONOMIC SNAPSHOT

ADB to hike forecasts

Growth estimates for the Philippines will be revised by the Asian Development Bank (ADB) following last month's announcement of surprisingly strong third- quarter results. "Definitely, [the ADB's] 2012 forecast for the Philippines will be revised ... it will be slightly higher than 5.5%," said Norio Usui, the Manila-based lender's senior economist for the Philippines. The 2013 outlook for the country will also be raised to "slightly higher than 5%," Mr. Usui told BusinessWorld last Friday, with final forecasts likely to be announced early next year. Economic managers have said that 2012 growth could now hit 6-7% -- the goal for the following year -- and a number of analysts have over the past week revised their estimates upward. (BusinessWorld)

BSP seen to hold off further rate cut

Monetary authorities could hold off from further easing policy rates later this week as growth momentum was sustained in the third quarter amid low inflation, analysts said. Six of seven bankers and analysts polled by The STAR expect the Bangko Sentral ng Pilipinas' (BSP) Monetary Board to keep key rates unchanged once it meets for the last time this year on Thursday. Rates have been slashed four times this year – on January, March, July and October – to bring them to new record-lows of 3.5 percent for overnight borrowing and 5.5 percent for overnight lending. (The Philippine Star)

Exporters air concern over gov't move to increase charges

Exporters are urging the government to rethink its recent decision to increase fees and charges levied by various agencies, believing that this will hamper their competitiveness just as the global economy is slowing down. Industry group Philippine Exporters Confederation Inc. (Philexport) said Administrative Order No. 31 authorizing the increase in government fees and charges could drive exporters' production costs up by 7 to 10 percent. The new AO signed by President Aquino last Oct. 1 will be implemented in January 2013. Philexport president Sergio R. Ortiz-Luis Jr. said in a phone interview that his group has already submitted "a position paper to the Office of the President asking for a review." (Philippine Daily Inquirer)

FINANCIAL TRENDS

Local shares close 0.63% down

As expected, local shares corrected yesterday after a record-breaking run last week. The benchmark Philippine Stock Exchange index (PSEI) closed 36.66 or 0.63 percent lower at 5,757.54 in light trading. A total of 1.55 billion shares valued at P5.88 billion changed hands with losers topping gainers 96-67 and 49 issues unchanged. (Manila Bulletin)

P/\$ rate closes at P40.94/\$1

The peso exchange rate closed slightly higher at P40.94 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.945 last Friday. The weighted average rate depreciated to P40.932 from P40.931. Total volume amounted to \$597.7 million. (Manila Bulletin)

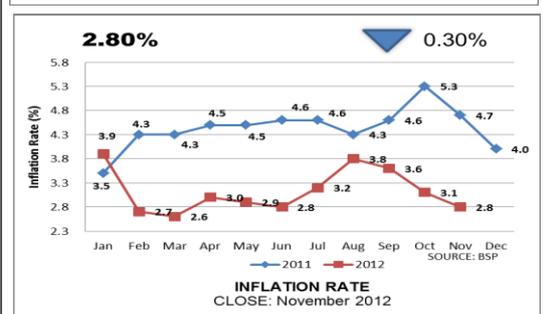
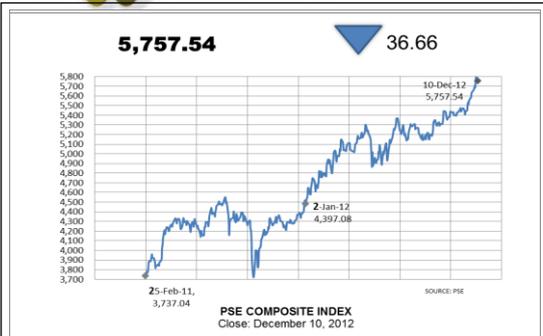
INDUSTRY BUZZ

Indian vehicles soon to hit Philippine roads

Expect vehicles made in India to hit Philippine roads and compete with relatively affordable Chinese vehicles by next year. India's Ambassador to the Philippines Amit Dasgupta on Friday announced his country's plans to establish a foothold in the Philippines for its booming automobile industry during a briefing at Dusit Thani Hotel in Makati City. "Indian companies are very proud of what they do. What are expected by February or March are 100-percent Indian vehicles. But we are starting with only heavy-duty vehicles," Dasgupta told reporters. India is known for its Tata Nano car, the world's cheapest car, a unit of which costs only \$2500 when it was first launched in 2008. (Philippine Daily Inquirer)

Its battery drained, Fisker seeks partner

Fisker Automotive Inc., the troubled maker of a battery-powered sports car, is accelerating a global search for a strategic partner to keep its business going. Chief Executive Tony Posawatz said the company hired investment bank Evercore Partners Inc. earlier this year when it became clear Fisker would need a partnership with another auto maker to lower production costs and shore up its finances. Fisker's search for new capital could result in the sale of the Anaheim, Calif.-based company, said people familiar with the process. "We are in serious discussions with multiple strategic partners," said Mr. Posawatz from London, where he was courting investors. Evercore was hired to beef up the company's own efforts. (Wall Street Journal)



	Monday, 10 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	7.53%	7.56%	7.79%

