



DASHBOARD

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MACROECONOMIC SNAPSHOT

UBS hikes Phl growth forecast

The Union Bank of Switzerland (UBS) has revised its economic growth forecast for the year to 6.3 percent from its previous projection of 4.5 percent. In revising this year's growth projection, UBS said it took into account the stronger-than-expected growth in the third quarter of the year of 7.1 percent. However, despite the strong third quarter growth, UBS said that its growth forecasts for 2013 and 2014 are expected to remain unchanged. "We forecast real GDP growth of 4.5 percent in 2013 and 4.9 percent in 2014. Investment growth, we expect to outperform. Our 2013 and 2014 real GDP projections are essentially unchanged despite the stronger than expected growth in the third quarter of 2012," UBS said. (The Philippine Star)

Foreign investments down 60% in September

The Philippines suffered a big drop in foreign direct investments (FDIs) in September in what officials claimed was due to global economic problems. The decline was also attributed to lingering issues adversely affecting the business climate in the country. Economists said a growing economy alone would not be sufficient to generate a higher amount of FDIs, noting the need for efforts to solve structural issues that discouraged more foreigners from doing business in the country. The Bangko Sentral ng Pilipinas reported Monday that the net inflow of FDIs amounted to only \$55 million in September, down 60 percent from \$138 million in the same month last year. Gross inflow amounted to \$100 million, falling by 41 percent from \$170 million from a year ago, while total outflow during the month amounted to \$45 million. (Philippine Daily Inquirer)

Infrastructure spending still well below target

Infrastructure spending as of October remained well below programmed despite a marked improvement from year-ago levels, Budget department data showed. In a report to the interagency Development Budget Coordination Committee (DBCC), the Budget department said spending for infrastructure came in at P165.7 billion for the 10-month period, still only 55.6% of the full-year target of P297.98 billion. The end-October level, however, was still 65% higher than the P100.4 billion recorded in the same period a year ago. (BusinessWorld)

FINANCIAL TRENDS

New peak hit as stocks climb past 5,800

Stocks rebounded after a correction on Monday to climb above the 5,800 level yesterday, hitting a fresh all-time high as investors were enlivened by upbeat economic data. The Philippine Stock Exchange index (PSEi) added 1.28% or 73.96 points to close at 5,831.50, its 37th all-time high for the year, while the broader all-share index gained 0.87% or 32.31 points to 3,728.70. (BusinessWorld)

P/\$ rate closes at P40.955/\$1

The peso exchange rate closed lower at P40.955 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.94 the previous day. The weighted average rate depreciated to P40.944 from P40.932. Total volume amounted to \$493 million. (Manila Bulletin)

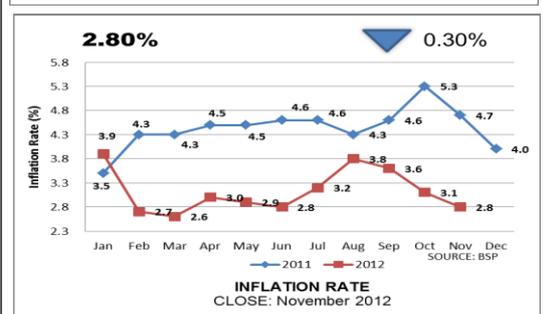
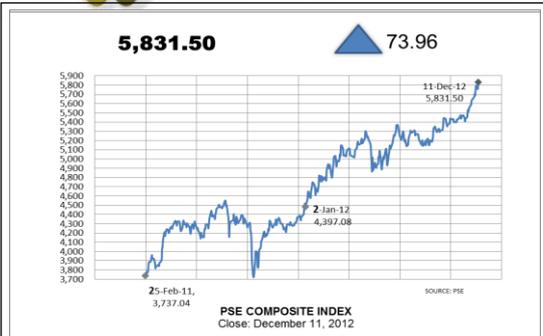
INDUSTRY BUZZ

CAMPI car sales up 21% in November

Car sales of local vehicle assemblers went up by more than a fifth in November from a year ago due to availability of supply, strong demand and financing schemes. In a statement yesterday, the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) said it sold 14,620 units in November, 21 percent higher than in the same period last year. By company, Toyota Motor Philippines Corp. was the top automobile manufacturer, capturing 41.7 percent of the market. Mitsubishi Motors Philippines Corp. accounted for the second biggest share of the market at 22.3 percent. Honda Cars Philippines Inc. came in third with an 8.1-percent share. Isuzu Philippines Corp. and Ford Philippines took the fourth and fifth spot respectively, with a 7.6-percent and 5.7-percent

China auto makers Foton, Great Wall to enter India

Two of China's biggest auto makers plan to sell their vehicles in India, a move which will likely allow them to diversify into this potential growth region for automobiles amid slowing sales in their home market. Beiqi Foton Motor Co. has acquired a plot of land in western India's Maharashtra state to build a commercial vehicle factory, an Indian automobile industry executive said Monday. Sugato Sen, deputy director-general of the Society of Indian Automobile Manufacturers, said another Chinese auto maker--Great Wall Motor Co. --is also considering a plan to enter the Indian market. Great Wall is looking for a location in three states--Gujarat, Tamil Nadu and Maharashtra--to build a factory, Mr. Sen said. (Wall Street Journal)



	Tuesday, 11 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	7.46%	7.56%	7.79%

