



MACROECONOMIC SNAPSHOT

PH faces brightest prospects for 2013

The Philippines continued to generate positive economic forecasts from foreign institutions following a surprise third-quarter growth. For this year, Citigroup raised its gross domestic product (GDP) growth forecast to 6.3 percent from 5 percent and to 6.1 percent from 5.3 percent in 2013, citing accelerated government spending and stable domestic demand. British bank HSBC also revised its 2012 forecast to 6.2 percent from 5.7 percent although for 2013, the forecast was pared down to 4.9 percent from 5.7 percent given the continuing external headwinds. Both Citi and HSBC expected the Bangko Sentral ng Pilipinas to keep its key interest rates on hold at 3.5 percent for the next policy rate-setting. (Philippine Daily Inquirer)

PCCI sees sustained growth momentum

The Philippine Chamber of Commerce and Industry (PCCI), the country's largest business association, Wednesday painted a brighter prospect for the domestic economy next year stressing growth momentum would be sustained by the influx of new investments and the Aquino administration's drive for good governance. During a year-end press conference, PCCI President Atty. Miguel B. Varela cited the country's strong economic fundamentals and the positive image of the Aquino administration. He cited the investment upgrades, record stock market index, improved competitiveness and corruption perception rankings, strong peso, stable inflation and record growth in our dollar reserves which provides the statistical evidence of the resurgence of the Philippine economy. (Manila Bulletin)

Peso seen hitting 37:\$1 level next year

The peso is seen strengthening to 37 to a dollar by next year on the back of favorable investor sentiment, strong remittance inflows and sustained reform efforts by the government, an investment bank said. "Our overweight position is based on the (peso's) undervaluation, strong remittance inflows, improved macroeconomic stability and sustained reform efforts," Bank of America-Merrill Lynch (BofA-ML) said in its latest report released Wednesday. "Bangko Sentral intervention will remain a risk to our view, but in our view, there are some limits to aggressive intervention," it added. (The Philippine Star)

FINANCIAL TRENDS

Local shares end 0.55% down

Local shares closed lower yesterday after hitting a new record intra-day high, continuing their gradual price correction. The benchmark Philippine Stock Exchange index (PSEi) closed 31.84 points or 0.55 percent lower at 5,787.95 in light volume. A total of 2.19 billion shares valued at P7.4 billion was traded with gainers topping losers 80-78 and 48 issues unchanged. (Manila Bulletin)

P/\$ rate closes at P41.08/\$1

The peso exchange rate closed lower at P41.08 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.02 the previous day. The weighted average rate depreciated to P41.059 from P40.982. Total volume amounted to \$683.6 million. (Manila Bulletin)

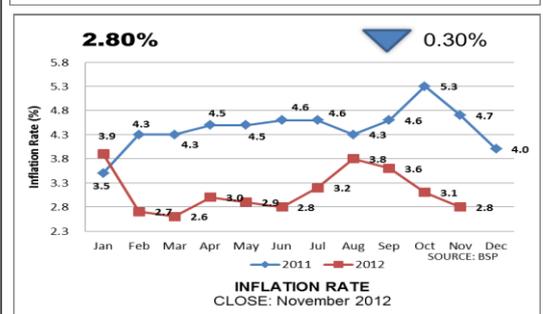
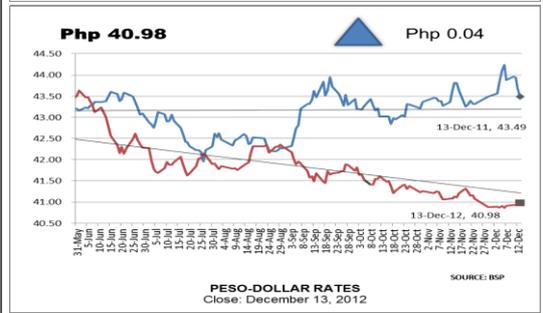
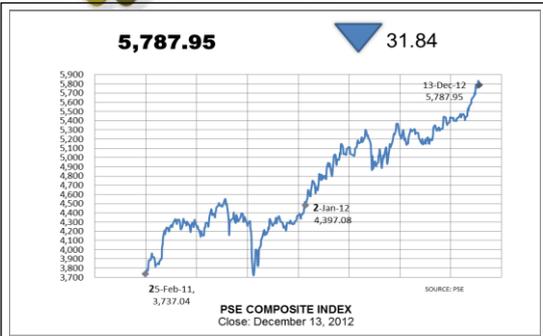
INDUSTRY BUZZ

Ford sales rise in November

Sales of Ford Group Philippines surged 45% annually in November, fueled by demand for its pickup brand, the firm said in a statement yesterday. Ford said yesterday its overall retail sales rose to 1,225 units in November from 842 units in the same month last year. "The strong November performance was led by an all-time record month for the Ford Ranger pickup, with the all-new Ranger delivering retail sales of 344 units," the firm said in its statement. The Ranger was launched in the Philippines in July. (BusinessWorld)

Chevrolet Philippines opens showroom in Cagayan de Oro

The Covenant Car Co. Inc., the exclusive importer and distributor of Chevrolet brand of vehicles and parts in the Philippines, makes a journey down south as it welcomes another showroom, which it set up together with its trusted and longtime partner Grandcars Inc. Chevrolet CDO has a sprawling service workshop equipped with all the latest Chevrolet technology and tools along with technicians that are highly trained and skilled. With amenities for customers that include a WiFi-ready showroom and relaxing customer lounge, every visit is sure to make any one feel welcomed and comfortable. Chevrolet CDO officially opened its doors to serve its customers last Nov. 16 at Kauswagan Highway, Brgy. Kauswagan, Cagayan de Oro. (Philippine Daily Inquirer)



	Thursday, 13 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	7.52%	7.56%	7.79%

