

# DASHBOARD

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**5,707.11**

80.84



## MACROECONOMIC SNAPSHOT

### BSP keeps interest rates steady

The Bangko Sentral ng Pilipinas (BSP) decided last week to keep key interest rates steady amid manageable inflation and strong economic growth. "The Monetary Board decided to maintain the BSP's key policy interest rates at 3.5 percent for overnight borrowing... and 5.5 percent for overnight lending," BSP Governor Amando Tetangco Jr. told reporters in a briefing after the last policy meeting for the year. Rates remain "appropriate," he said, as inflation is expected to remain manageable despite the economy posting buoyant growth amid a backdrop of "stabilizing" global economic activity. (The Philippine Star)

### Hot money forecast trimmed

The Bangko Sentral ng Pilipinas (BSP) has trimmed its forecast for foreign portfolio investments this year as the uncertainty surrounding advanced economies fades. Foreign investments in the country's equities and bonds are expected to hit \$3.2 billion in 2012, down from the initial estimate of \$4.5 billion. The inflows should increase to \$3.8 billion next year. Investment prospects are improving overseas, BSP Deputy Governor Diwa C. Guinigundo said in a press conference last week. The United States and Europe are showing signs of improved demand and confidence. Policy pronouncements also point to recovery, he added. (BusinessWorld)

### September NG debt reaches P5.2-T

The national government debt increased by 7 percent in September this year to P5.213 trillion from P4.87 trillion in the same period last year due to higher domestic borrowings. Data from the Bureau of Treasury showed that about P2.028 trillion or 38.91 percent of the total debt was owed to foreign creditors, while the remaining P3.184 trillion or 61.09 percent to domestic creditors. The government's strategy to prioritize local investors brought its foreign debt to decline by 3 percent to P2.028 trillion in September 2012 from 2.089 trillion in the same period last year. The stronger than expected peso dollar exchange rate also helped to reduce the government's foreign currency denominated debts as of September. (Manila Buletin)

## FINANCIAL TRENDS

### PH stocks seen to weaken

Local stocks are seen continuing to pull back this week as many stocks have hit rich valuations while some external factors such as the US' fiscal woes linger. Last week, the main-share Philippine Stock Exchange fell by 80 points, or about 1.5 percent, to close at 5,707.11 on Friday. (Philippine Daily Inquirer)

### Peso seen in tight trading range this week

The peso is expected to trade within a tight range this week as investors check for progress on efforts to avert a "fiscal cliff" in the US. The local unit shed 14.5 centavos last Friday to close at P41.09 per dollar against its P40.945-per-dollar finish the week before. (BusinessWorld)

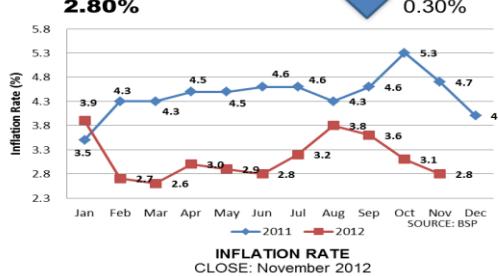
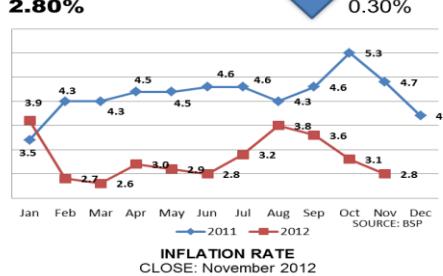
## INDUSTRY BUZZ

### HARI projects 5-10% sales growth

Hyundai Asia Resources, Inc. (HARI), the local distributor of Hyundai vehicles, expects its sales to grow by five to 10 percent next year, amid favorable economic conditions and sustained demand for its cars. "We definitely expect robust growth for 2013," Ma. Fe Perez-Agudo, HARI president and chief executive officer told reporters on Wednesday night, citing the country's strong macroeconomic fundamentals. She said the firm's sales could grow by at least five percent up to 10 percent next year from this year's expected total sales of 23,000 units, given demand for Hyundai vehicles. "The five-percent growth is conservative because we are still experiencing supply shortage," she said. Similar to other countries, she said there is huge local demand for Hyundai vehicles which is not being met. (The Philippine Star)

### 4th generation Subaru Forester launched

Subaru's reputation for cars that enhance the pleasure of driving will get a big boost when the all-new Subaru Forester rolls out in the Philippine market in the second quarter of next year. Launched in Taiwan for the Asian markets last week, the fourth generation Subaru Forester exudes a stronger SUV presence with a bigger body. A new variant features Subaru's horizontally-opposed direct injection turbo engine, and in the cabin are several comfort features that delivers a package that will attract even those who have never thought of driving a Subaru. In the Philippine market, the all-new Forester will be available in two variants: the 2.0 XS and the 2.0 XT with diesel injection turbo engine. (Manila Bulletin)



	Friday, 14 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	7.59%	7.56%	7.79%

