



# DASHBOARD

Changing News. Your Guide.

AVID Daily E-News

December 18, 2012

Volume 5 No. 02

## MACROECONOMIC SNAPSHOT

### DBS raises RP's growth forecasts

Singaporean-lender DBS has revised upward its 2012 economic growth forecast for the Philippines to 6.2 percent from the previous 5.7 percent citing the country's consumption and investments' strong growth and discounting the impact of slower exports. In its latest quarterly outlook, DBS said that the country's economic momentum is strong due to resurgent domestic demand and goods exports remain "very well" held up despite ongoing external headwinds. In the third-quarter of the year, the Philippine economy grew by 7.1 percent year-on-year, bringing growth in the first nine-months to 6.5 percent, the fastest in Southeast Asia. "This set of numbers is particularly impressive considering that many other Asian economies have been showing signs of slowdown amid ongoing external headwinds," DBS said. (Manila Bulletin)

### GDP to grow 6.7%-6.8% this year - DTI

The economy may grow 6.7 to 6.8 percent this year, supported by rising consumption during the Christmas season as well as record high merchandise exports, a Trade official said. Trade Undersecretary Cristino Panlilio told reporters that "for the whole year, we believe we will average something like 6.7 to 6.8-percent GDP (gross domestic product) bottom line that will make us either second or third only to China in terms of economic growth." To achieve the 6.7 to 6.8-percent growth for the year, Panlilio said, the economy will have to grow at those rates in the fourth quarter. As consumers are expected to spend more during the Christmas season, he is confident the economy could expand by that much. (The Philippine Star)

### Fitch upbeat on prospects for emerging Asia

Stable credit outlooks dominate in emerging Asia but these are not a sign that the region has become static, Fitch Ratings said. Despite a mix of risks, the region's growth is still poised to outpace the rest of the world, the debt watcher explained in a report released last Friday. "Emerging Asia is projected to post the strongest GDP (gross domestic product) growth of any global region until 2014, despite slowdowns in the two giants, China and India," it said. The region is forecast to grow by 6% this year, hitting 6.4% in 2013 and 6.5% in 2014. While it has yet to decouple completely from advanced economies, the likes of the Philippines, Malaysia and Mongolia show strong domestic demand that can buoy their economies amid global woes, Fitch said. (BusinessWorld)

## FINANCIAL TRENDS

### Share prices weaken further

Philippine stocks started the week in negative territory--marking the fourth consecutive trading day of loss and dropping below the 5,700 mark – on broad-based profit taking. The Philippine Stock Exchange index (PSEi) retreated by another 83.26 points or 1.46 percent to settle at 5,623.85. (The Philippine Star)

### Peso slightly up

The peso rose minimally on Monday as expectations that the central bank would impose another set of measures to curb currency speculation partially offset the impact of a favorable economic outlook on demand for local securities. The local currency closed at 41.04 against the US dollar on the first trading day of the week, up by 5 centavos from 41.09:\$1 on Friday. (Philippine Daily Inquirer)

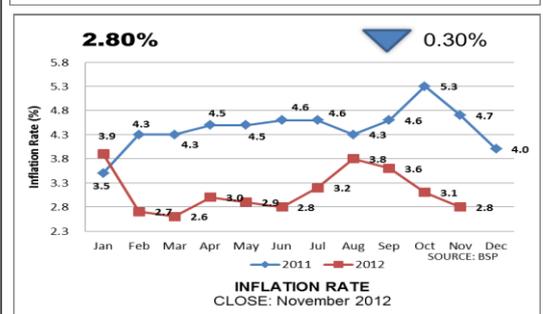
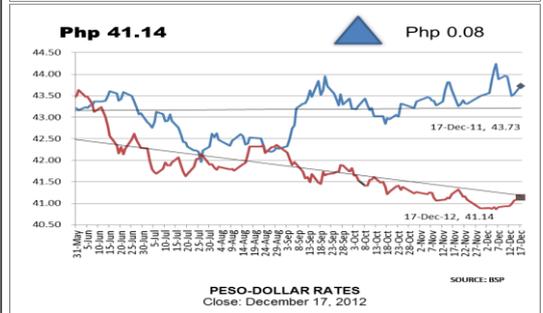
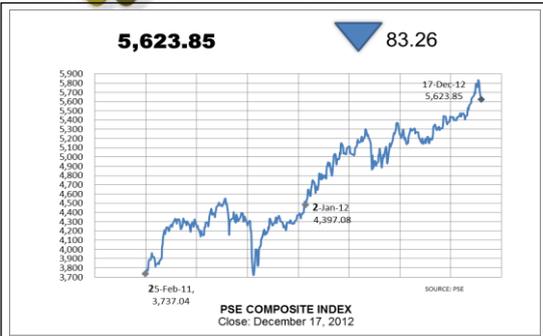
## INDUSTRY BUZZ

### Philippines gets new D-Max, trucks next year

Japanese car maker Isuzu Philippines Corp. plans to launch new models of its pick-up and trucks next year, a senior company official said over the weekend. Arthur A. Balmadrid, Isuzu Philippines vice-president for the Corporate Business Division, said in a telephone interview that the new "D-Max pick-up, which was already launched in Thailand, will also be released in the Philippines but late next year because demand in Thailand is still high and they still have a backlog." He added the D-Max will be manufactured in the country with parts from Thailand. The firm will also release new truck models next year in hopes of attracting customers from the second-hand market. (BusinessWorld)

### Honda announces global recall for air-bag problems

Honda Motor Co. is recalling 304,000 vehicles globally for air-bags that may inflate with too much pressure in a crash, send metal and plastic pieces flying and cause injuries or deaths. Honda said there have been 20 accidents so far related to this problem, including two deaths in the U.S. in 2009. The Japanese automaker announced the recall Friday, which affects the Accord, Civic, Odyssey, Pilot, CR-V and other models, manufactured in 2001 and 2002. The recall spans 273,000 vehicles in the U.S., some 27,000 in Canada, nearly 2,000 vehicles in Japan and another 2,000 in other countries. It affected 359 vehicles in Europe — 200 in Germany, 158 in Israel and one in Great Britain, according to Honda. (Manila Bulletin)



	Monday, 17 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%	7.53%	7.79%

