



DASHBOARD

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MACROECONOMIC SNAPSHOT

Gov't eyes revival of industry sector

The Philippines' chief economist expects to see a more vibrant industry sector in 2013 as the government focuses on key industries and strives to ease the processes and costs in doing business. "Our key priority sectors, namely tourism, business process outsourcing or BPO, electronics, housing and real estate, agribusiness and forest-based products, logistics and shipbuilding, will be given more focus. We need also to consolidate the various industry roadmaps to further fuel the industry sector, especially manufacturing," Economic Planning Secretary Arsenio Balisacan said. Trade officials agreed that the manufacturing sector could be revived, noting strong interest among foreign investors. (Philippine Daily Inquirer)

BSP 'signal' to address strong capital flows

The Bangko Sentral ng Pilipinas (BSP) is expected to announce new macroprudential measures today as a response to the heavy capital flows entering the country. "The objective of the announcement is to ensure macroeconomic stability. Capital flows can have an adverse impact on monetary and financial stability," central bank Deputy Governor Diwa C. Guinigundo said on Friday. "Strong capital inflows can abet asset price fluctuations. They can lead to severe misalignment of the currency, and they can also affect our efforts to manage inflation." Effective capital flow management will be the core of the BSP's move, he added. (BusinessWorld)

In '13, PH growth may be second to China

Among emerging economies in Asia, the Philippines will continue to trail China in terms of economic growth in 2013, according to a think tank based in Washington, DC. The IIF said that the country's gross domestic product would follow through with a growth rate of 6.8 percent next year after the latest forecast of 6.5 percent for 2012. These are upgrades of IIF's previous forecasts of 5.7 percent this year and 6.5 percent in 2013. In 2014, the IIF predicts that the Philippine economy will grow slower at 6.2 percent, to be overtaken by India and Indonesia for second and third place after China. (Philippine Daily Inquirer)

FINANCIAL TRENDS

Phi stock market posts new record close

Local share prices came back from the long weekend as traders gobbled up stocks before the year ends. At the Philippine Stock Exchange (PSE), the main composite index rose 8.89 points or 0.15 percent to close at a new all-time high of 5,832.83, surpassing its previous record of 5,831.50 on December 11. (The Philippine Star)

Peso weakens over US fiscal problem

The peso weakened against the US dollar on the first trading day after Christmas as concerns over the US fiscal problem, which dampened outlook on the global economy, prompted some risk-averse fund owners to shift to the greenback and away from assets denominated in emerging market currencies. The local currency closed at 41.16 against the US dollar, down by 9 centavos from 41.07:\$1 on Dec. 21. (Philippine Daily Inquirer)

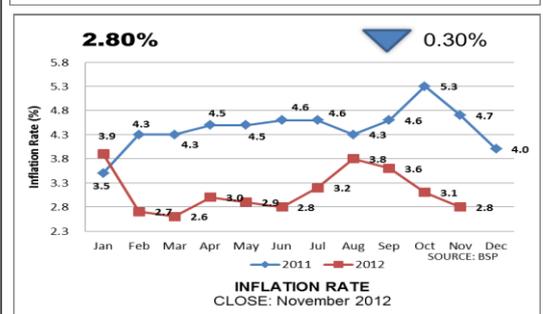
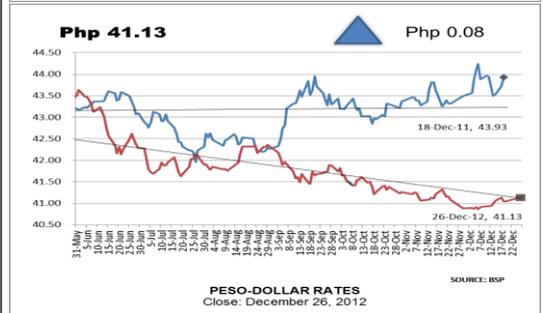
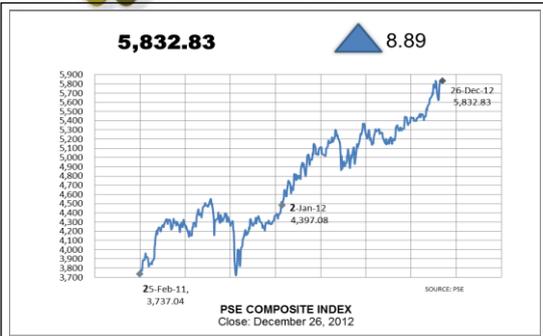
INDUSTRY BUZZ

Vehicle sales seen reaching 180,000 units

The Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) expects total industry vehicles sales hitting 180,000 units or even more this year on the back of the country's positive economic performance. "We can hit 180,000 units this year or even more than that," CAMPI president Roque Rommel Gutierrez told reporters yesterday. Auto sales for the January to November period reached 141,283 units, up eight percent from a year ago. CAMPI attributed the growth in sales to the normalization of supply following a supply disruption after two major calamities last year. (The Philippine Star)

Honda aims for higher sales

Honda Philippines, Inc. aims to achieve higher sales next year as the country is experiencing strong economic growth. "We are...aiming for an increase in our sales in the next fiscal year given the significant improvement in the country's economic condition," Sunday Julaton, national sales and marketing manager of Honda Philippines said in an email. He said it is still too early to say by how much sales would grow in the next fiscal year but noted the firm has the capacity and capability to deliver the volume of motorcycles required by the Philippine market. (The Philippine Star)



	Wednesday, 26 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	7.47%	7.48%	7.79%

