



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Asia's factories show signs of revival, but exports sluggish

Manufacturing activity in Asia expanded in December as China's economy showed signs of revival but export demand was uneven, pointing to further sluggish growth for the region, business surveys suggest. Private and official manufacturing surveys added to evidence that China's economy picked up late in the year, while activity in India expanded at its strongest pace in six months in December, boosted by strong factory output and a spike in new orders. Similar reports on Wednesday also showed activity increased in South Korea and Taiwan for the first time since May. But while domestic orders showed some improvement, export orders were decidedly mixed, pointing to continued weakness in global demand with Europe mired in recession and fears of tighter fiscal policy clouding recovery prospects in the United States. (Business World)

### Capital flows seen to flood Phl, other emerging markets

The approval of a deal that halts tax hikes and spending cuts in the US is a welcome development for global economic recovery, but the Philippines remains on guard against risks accompanied by the expected surge in capital flows, officials said. "A good fiscal cliff deal is an important piece towards putting together the solution to the global economic malaise of lack of aggregate demand growth," Finance Secretary Cesar Purisima said in an e-mail yesterday. The Philippines, among other emerging markets, could experience fresh flooding of capital inflows as a result of the deal, Bangko Sentral ng Pilipinas (BSP) Governor Amando Tetangco Jr. said, as investors cheered the good news by buying more risky assets from other territories. This, however, is likely to be temporary, he clarified, as a long-term solution to the US debt problem remains elusive. "This could spawn risk appetite in the short-run resulting in fund flows toward emerging economies. But the markets will soon look for a more lasting solution to the US debt problem," Tetangco explained. (The Philippine Star)

### Phl to borrow \$1B this year

The Aquino administration is planning to borrow \$750 million to \$1 billion from the foreign commercial debt market this year, with fund-raising activities to start only after January, breaking away from tradition, National Treasurer Rosalia De Leon said yesterday. "Definitely, there will be no commercial borrowing in January," De Leon said. The government is looking at raising the \$750 million to \$1 billion through the sale of global peso notes, which would help spare the government from foreign currency debt, De Leon said. (The Philippine Star)

## FINANCIAL TRENDS

### PSEi opens 2013 with new high

The benchmark Philippine Stock Exchange index (PSEi) opened the year with a new high on Wednesday after the US Congress passed a bill to avoid a "fiscal cliff." The PSEi closed at 48.26 points higher or 0.83 percent to 5,860.99 points, while most of the indices also gained on the first trading day of the year. (Business Mirror)

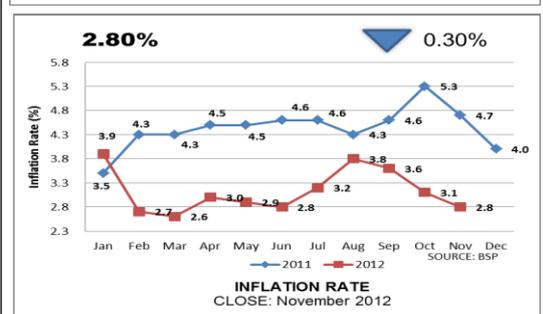
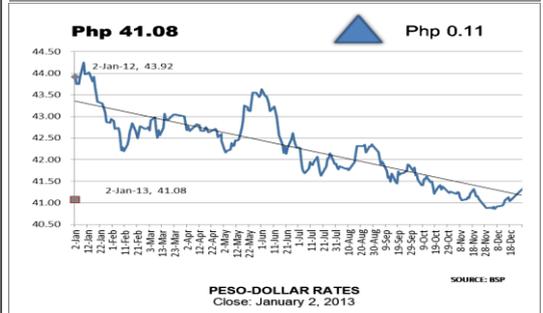
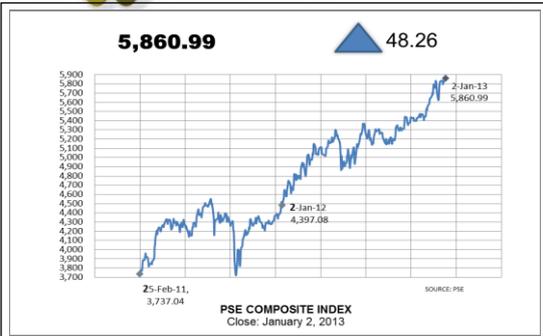
### Peso rises on news of US budget deal

The peso strengthened by 19 centavos on the first trading day of the year as the market cheered an agreement among American lawmakers that would prevent a fall of the US economy from the so-called "fiscal cliff." The local currency closed at 40.86 against the US dollar, up from the finish of 41.05 on Dec. 28, the last trading day of 2012. (Philippine Daily Inquirer)

## INDUSTRY BUZZ

### Suzuki Philippines opens dealership in Isabela

Suzuki Philippines opened its newest auto dealership in Santiago City, Isabela to buoy its presence in Northern Luzon. This branch is a one-stop shop, fully serviced with the distinct 3S features. As a 3S shop, this dealership provides units, spare parts and auto service features. Suzuki's General Manager for Automobile, Mr. Shuzo Hoshikura, states that the widening of the company's dealership network is Suzuki's answer to the increasing mobility needs of Filipinos: "We would like more Filipinos to benefit from Suzuki's brand of excellence—from quality, fuel-efficient automobiles to above par after-sales servicing." Dealership owner, Jocel Violago of Car Depot Commercial Phils. (CDCP), Corp., shares that "the new dealership is an exciting development for Santiago City. Suzuki is known for its thoughtful design and fuel economy—which are key elements we know our clients appreciate." (The Philippine Star)



	Wednesday, 2 January 2013	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	7.37%	7.48%	7.79%

