



DASHBOARD

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MACROECONOMIC SNAPSHOT

Investments trickling into PH, says Citi

The Philippines, which mainly depends on consumer spending for growth, is said to have entered the early stages of becoming an investment-driven economy. This was the assessment made by international financial services firm Citi, which said in a recent paper that the combination of robust economic growth and benign inflation in 2012 indicated that investments had started to play a more significant role in driving the economy. Citi said the Philippines last year registered a "positive output gap," a phenomenon in which investments and production within an economy exceed previous levels. Should this persist in 2013, Citi said, the Philippines would enjoy robust economic growth without the baggage of faster inflation. (Philippine Daily Inquirer)

2012 export growth at 10%

The Export Development Council (EDC) has maintained its export growth target of 10 percent for 2012 as export earnings in the first 10 months rose by 7.1 percent to \$44.47 billion. A rebound by the semiconductor and electronics industry that started in September 2012 after over a year of decline could still meet EDC's fighting target of 10 percent. The indigenous exports, namely food, forest products and minerals, that held the forth, keeping overall performance on the growth path when the biggest manufactured items floundered. (Manila Bulletin)

Outlook for 2013 improves as US manufacturing climbs

Manufacturing picked up in December, reflecting growth in orders, employment and exports that indicate the US expansion will be sustained in 2013 following the budget deal. The Institute for Supply Management's manufacturing index climbed to 50.7 from a three-year low of 49.5 in November, the Tempe, Arizona-based group reported on Thursday. Fifty is the dividing line between expansion and contraction. "We are starting the new year on at least a fairly firm note," said Tim Quinlan, an economist at Wells Fargo Securities Llc. in Charlotte, North Carolina, who projected the ISM index would climb to 51. While some manufacturers have been holding back because of the budget debate, he said, "there is demand in this economy. As soon as businesses are able to take advantage of this, we'll see a bigger contribution from manufacturing to overall economic growth." (Business Mirror)

FINANCIAL TRENDS

Stocks seen consolidating with upward bias this week

Local stocks may go through a period of consolidation this week with a slight upward bias. The main benchmark index kicked off the new year in upbeat fashion, barreling to a new record close of 5,971.45 or 2.73 percent higher from a week earlier on the back of strong foreign investor buying. The positive developments overseas, particularly in the US, have boosted investor sentiment and could send the market higher to as much as 6,128, said Ghia Paula L. Yuson, research analyst at First Metro Securities Brokerage Corp. (Philippine Star)

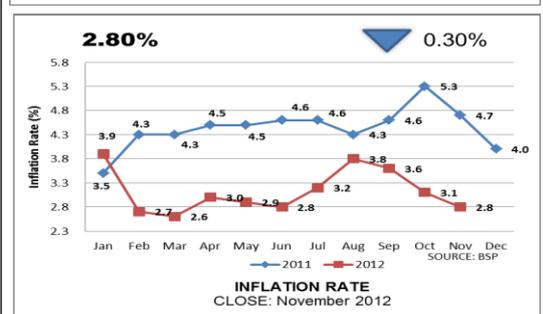
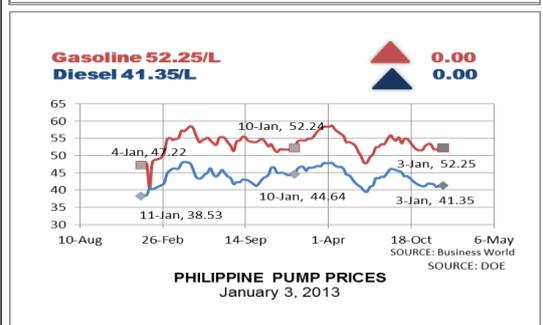
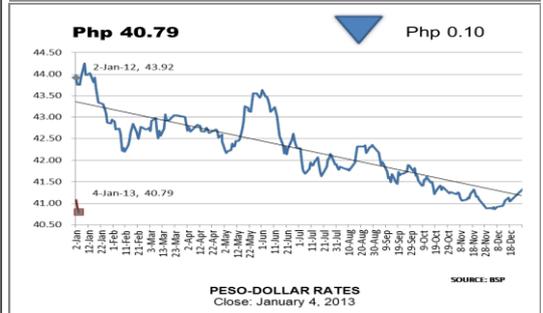
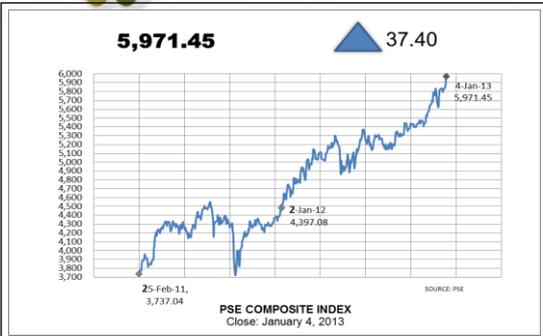
P/\$ rate stands at P40.91/\$1

The peso exchange rate stands at P40.91 to the US dollar last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.856. (Manila Bulletin)

INDUSTRY BUZZ

Connected car services come to market with Volvo Car Group and Ericsson

Volvo Car Group will use Ericsson's Connected Vehicle Cloud in order to allow drivers, passengers and the car to connect to services available in the cloud. Drivers and passengers will be able to access applications for information, navigation, and entertainment from a screen in the car. At the same time, Volvo Cars will be able to open parts of the platform to other players in the eco-system of the automotive industry. Content providers will have agreements with Volvo and the other members of the ecosystem, like internet radio providers, road authorities, cities' governments, toll-road operators and others. The partnership calls for Ericsson to perform systems integration of the solution with Volvo Car Group IS/IT environments and in-vehicle systems. Ericsson will also provide managed services for a global cloud solution with a secure connection between the vehicle and all players in the value chain and in the ecosystem. (Business Mirror)



	Friday, 4 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%

