

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Analysts claim economy headed for a banner year

The Philippine economy is headed for banner growth this year, First Metro Investment Corp. (FMIC) and the University of Asia and the Pacific (UA&P) yesterday claimed, with the stock market set for new highs, interest rates to stay low and inflation to remain benign. Gross domestic product (GDP) growth will likely hit 7.5-8% this year, economist Victor A. Abola yesterday said in a joint UA&P and FMIC briefing, given "heavy election spending, increased infrastructure projects, robust consumer and services sectors and stronger tourism and gaming industries." Inflation, meanwhile, ended 2012 at 3.2%, hitting the central bank's forecast. With monetary authorities expecting the rise in consumer prices to remain under control, FMIC and the UA&P expect the rate to fall to 2.8% this year due to more "stable food and oil prices." (BusinessWorld)

### Tax perks remain important – PCCI

The Philippine Chamber of Commerce and Industry said incentives would still play a crucial role in attracting investments into the country, particularly in the manufacturing sector. PCCI president Miguel B. Varela told reporters that while all positive factors are going strong for the Philippine economy, the grant of incentives still makes a lot of difference to investors. Varela cited Vietnam for getting more FDIs than the Philippines because of its generous incentive package. "Thailand is also very open to investors, they practically give all tax privileges to investors," he said. Competitor countries have been able to present to the foreign investors solutions to offset the high cost of doing business in their countries. (Manila Bulletin)

### Japanese firms more optimistic

Many Japanese-affiliated firms in Asia and Oceania including the Philippines expect improved operating profits this year on expectations of higher local sales, according to the Japan External Trade Organization (JETRO). The JETRO's 2012 Survey on Business Conditions of Japanese-affiliated firms in Asia and Oceania showed that 46.8 percent of the 3,819 firms that provided responses to the survey, forecast improved operating profits for 2013. "The most common reason for the increase was sales increase in local markets," the JETRO said. The JETRO noted that Japanese firms are putting priority on local market development rather than developing exports. (The Philippine Star)

## FINANCIAL TRENDS

### Share prices continue bull run

For the fifth straight trading session, share prices posted another all-time high yesterday as buyers narrowly beat sellers. The Philippine Stock Exchange index (PSEi) inched up 0.07 percent or 3.99 points to close at 6,048.90 while the broader all shares index slightly rose 0.05 percent or 1.94 points to 3,813.65. (The Philippine Star)

### Peso rises anew as optimistic investors buy more

The peso rose again on Tuesday as optimism among investors continued to fuel their appetite for peso-denominated securities. The local currency closed at 40.85 against the US dollar, up by 4 centavos from the previous day's finish of 40.89:\$1. (Philippine Daily Inquirer)

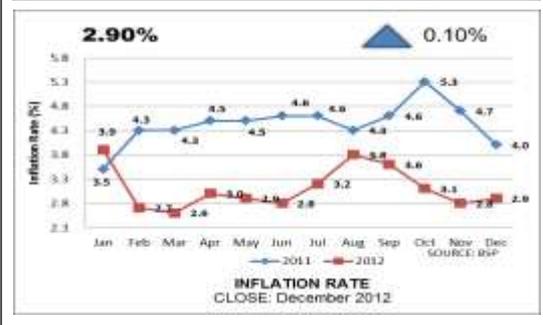
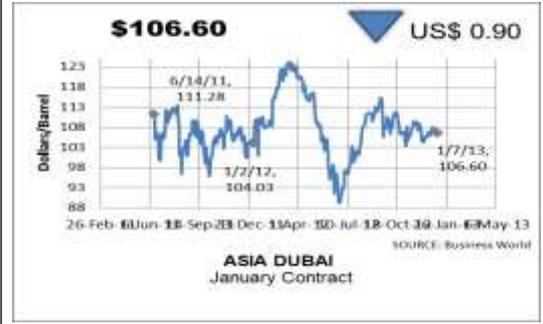
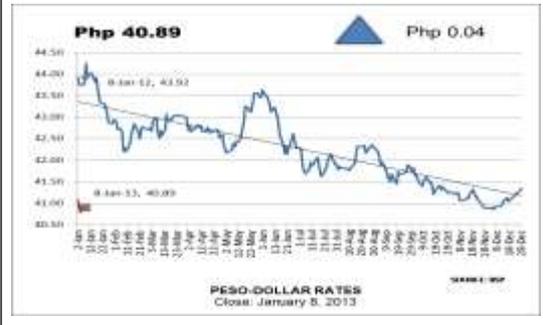
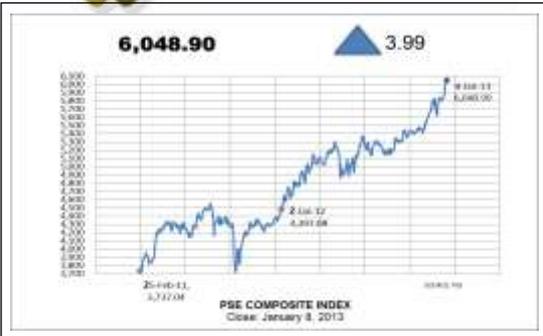
## INDUSTRY BUZZ

### Pace of slide in Toyota China sales slows in December

Toyota Motor Corp. is still dogged by a sales crisis Japanese carmakers are suffering in China as a result of a territorial row between the two countries but December sales proved "surprisingly resilient", a senior Toyota executive said. Toyota sold "almost" 90,000 vehicles in China in December, compared with 108,000 cars the company and its two Chinese partners sold in December 2011. "Sales rebounded faster than we had expected," said the Toyota executive, who declined to be identified because the sales information has not been made public yet. He attributed the recovery in part to discounts and other sales incentives the Japanese company provided during the month. (BusinessWorld)

### Hyundai lays out modest sales goal

Hyundai Motor Co. says it aims to increase annual vehicle sales by 6 percent in 2013 over a year earlier. South Korea's largest carmaker said Wednesday it expects to sell 4.66 million vehicles, including 3.99 million outside its home market. Chung Mong-koo, chairman of Hyundai Motor and its smaller affiliate Kia Motors Corp., said the two automakers plan to sell 7.41 million vehicles in 2013. (Malaya Business Insight)



	Tuesday, 8 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	0.05%	0.20%	3.85%
Lending Rates	7.26%	7.37%	7.79%

