

DASHBOARD

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MACROECONOMIC SNAPSHOT

UBS lowers Phl inflation forecasts for 2013, 2014

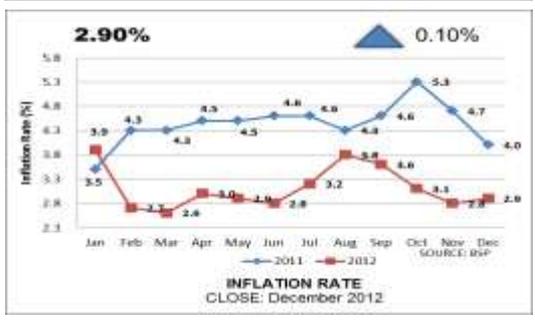
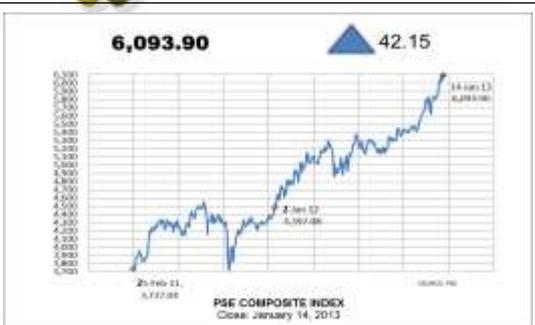
Switzerland-based investment bank UBS has lowered its inflation forecast for the Philippines in 2013 and 2014 as it expects food prices to remain benign. In a report, UBS economist Edward Teather said he sees inflation rate easing to 3.5 percent this year and eventually rising to four percent next year. These were lower than the bank's original forecast of 4.3 percent and 4.1 percent for 2013 and 2014, respectively. Teather said Philippine inflation has been slower than expected in the fourth quarter of 2012, mostly due to lower than expected consumer prices. The central bank expects inflation rates for the next two years to remain within the lower bound of the target. (The Philippine Star)

Domingo sees 7% GDP growth

Trade and Industry Secretary Gregory L. Domingo forecasts a 7 percent GDP growth in 2013 saying the gains of 2012 would be sustained by the expected influx of new foreign investments, implementation of huge infrastructure projects, improved consumer spending and improved exports. Domingo said the economy's sustained growth would be able to support the government's inclusive growth policy, which means inclusion of the poorest of the poor. Thus, he said, the government's top two priority sectors are tourism and agriculture because these sectors employ mostly unskilled people in the provinces where poverty incidence is high. Domingo also noted the influx of major manufacturing projects with ongoing plant construction as a big factor that would ensure sustained growth in the next several years. (Manila Bulletin)

Rates seen to inch up in 2013 as prices rise

After last year's monetary easing cycle, the Bangko Sentral ng Pilipinas may jack up its key interest rates this year by 25 basis points to curb consumer price pressures as the economy moves toward a higher growth path, said a research note published by Metropolitan Bank & Trust Co. Because of the stellar growth in the first three quarters of 2012 and given the still rosy prospects, Metrobank research sees the country's full-year 2012 gross domestic product growth at 6.6 percent while for 2013, growth was seen at 6 percent. "Inflation is seen to slightly inch up moving forward, albeit still manageable, amid some expected tightness in the supply of some domestic commodity sectors. The stronger peso and stable global commodity prices will, however, temper any significant increases in consumer prices," the bank research said. (Philippine Daily Inquirer)



FINANCIAL TRENDS

Stock market hits yet another all-time high

The stock market hit fresh peaks yesterday on the back of sustained investor optimism, particularly over the prospect of a more relaxed interpretation of foreign ownership rules. The Philippine Stock Exchange index (PSEi) added 42.15 points or 0.70% to close at 6,093.90, its seventh all-time high for the year. (BusinessWorld)

Peso weakens as investors resort to profit-taking

The peso fell on the first trading day of the week as investors sold some of their portfolio assets to generate gains from the local currency's rise last week. Closing 5 centavos weaker than the finish of 40.61:\$1 on Friday, the peso ended Monday's trading at 40.66 against the greenback. (Philippine Daily Inquirer)

INDUSTRY BUZZ

Schreyer to take charge of Hyundai group car design

German designer Peter Schreyer, known as the creative brain behind the Audi TT, will oversee both Kia and Hyundai's designs, the Hyundai automotive group said on Sunday, as the carmaker seeks to outdo German rivals Volkswagen and BMW. Schreyer's star is rising fast at the South Korean company, where only three weeks ago he was named as president at Kia, the first foreigner to hold the post. He was promoted from chief design officer and executive vice president at Kia. He will assume the newly created role to oversee the design of both Hyundai and Kia, which together make up the world's fifth biggest automaker. The design operations of the two carmakers had been run by separate design chiefs. (The Philippine Star)

Kia distributor sees 10-15% sales hike

Columbian Autocar Corp., distributor of Kia Motors vehicles in the Philippines, sees a 10 to 15-percent growth in sales this year, on expectations that favorable economic conditions will be sustained and as it introduces new models in the market, an official said. Palermo Soriano Jr., marketing services head at Columbian Autocar, told last year's sales improved 44 percent compared to its performance in 2011, with bulk of the sales accounted for by the Rio and Sportage models. (The Philippine Star)

	Monday, 14 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	7.24%	7.24%	7.79%

