

MACROECONOMIC SNAPSHOT

Barclays hikes Phi growth forecast

Philippine growth forecasts were revised upwards by investment bank Barclays as the country's sound fundamentals are magnified by a "reform-focused" government seen to attract confidence from both local and foreign investors. In its Emerging Markets Research released yesterday, Barclays said Philippine economic growth could have hit 6.5 percent last year before it decelerates to 5.9 percent in 2013. These figures are stronger than the November forecasts of 6.2 percent and 5.5 percent, respectively. Against government's targets, however, last year's outlook beat the five to six-percent goal, while this year's forecast fell below the six to seven-percent objective. Inflation, on the other hand, is seen to accelerate to 4.1 percent this year, faster than last year's 3.2 percent and up from Barclays' November outlook of 3.8 percent. The revised figure is still within the BSP's three to five-percent target. (The Philippine Star)

BSP hints at further peso appreciation

The Bangko Sentral ng Pilipinas said the peso would be allowed to strengthen some more this year if pressure would come from higher foreign direct investments. The Bangko Sentral ng Pilipinas said the peso, the second-fastest appreciating Asian currency against the dollar last year, would be allowed to strengthen some more this year if pressure would come from higher foreign direct investments (FDIs). BSP Governor Amando Tetangco Jr. said there indeed was a good chance for FDIs to start growing substantially this year given the improving outlook of businesses on the domestic economy. (Philippine Daily Inquirer)

Poll: Self-rated poverty up by 1.4M families

The number of Filipino families who consider themselves poor increased anew in the last quarter of 2012, based on the latest survey conducted by the Social Weather Stations (SWS). In the December 8-11, 2012, survey period, SWS found that 54 percent or about 10.9 million Filipino households rated themselves as poor, a rise from 47 percent or 9.5 million families in the third quarter of 2012. Self-rated poverty increased nationwide except in the Visayas. It is highest in Mindanao with 72 percent (from 57 percent), followed by the Visayas (62 percent from 63 percent), rest of Luzon (43 percent to 38 percent), and Metro Manila (42 percent from 35 percent). (Manila Bulletin)

FINANCIAL TRENDS

PSEi corrects after record high

The stock market closed lower on the back of profit taking a day after registering fresh all-time highs, although half of the sectorial indices managed to close in positive territory. The Philippine Stock Exchange index (PSEi) slid by 6.23 points or 0.10% to close at 6,087.67, while the broader all-share index went down by 1.04 points or 0.03% to

P/\$ rate closes at P40.57/\$1

The peso exchange rate closed higher at P40.57 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.66 the previous day. The weighted average rate appreciated to P40.569 from P40.651. Total volume amounted to \$1.051.4 billion. (Manila Bulletin)

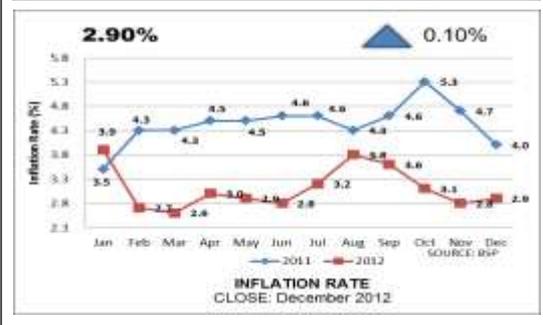
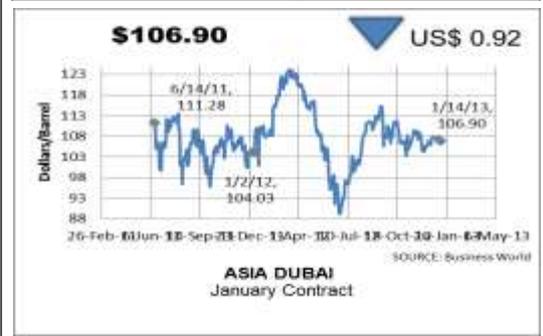
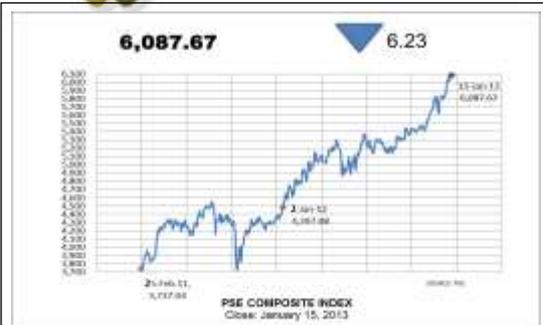
INDUSTRY BUZZ

Hyundai sales up 8% to nearly 22,000

Hyundai Asia Resources Inc. (HARI), the local distributor of South Korea's Hyundai vehicles, said sales expanded eight percent in 2012 from the previous year, supported by growth in the passenger car (PC) segment. In a statement yesterday, HARI said it sold 21,996 units in the January to December period, last year higher than the 20,297 units in 2011. It said the PC car segment anchored the higher sales performance as it rose 25 percent to 13,382 units last year. "The Eon, Hyundai's newest sub-compact PC model that was launched in 2012, shoved PC sales up to complement the good performance of the Accent (16 percent) and the Elantra (27 percent)," HARI said. Light commercial vehicle (LCV) sales, meanwhile, declined 10 percent to 8,614 units in 2012 compared to the previous year. (The Philippine Star)

Volkswagen reports record sales for 2012

German automaker Volkswagen AG says its 2012 group sales hit a record high as growing demand around the world more than offset sluggish sales in Europe. It says Monday that more than nine million vehicles were delivered for the first time. The total of 9.07 million was up 11.2 percent from the 8.16 million delivered in 2011. December sales were also up 20.7 percent over the same month last year. (Philippine Daily Inquirer)



	Tuesday, 15 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	7.18%	7.24%	7.79%

