

MACROECONOMIC SNAPSHOT

Local business leaders urged to push PHL-EU FTA

The European Chamber of Commerce of the Philippines (ECCP) urged local business leaders to encourage the Philippine government to move forward in starting negotiations with the European Union (EU) for a free-trade agreement (FTA). With the impending economic integration of members of the Association of Southeast Asian Nations (Asean), the ECCP noted that an FTA between the EU and the Philippines has become more important. ECCP Executive Vice President Henry Schumacher, in a statement, said that based on current trends, Singapore, Thailand, Malaysia and even Vietnam could sign an FTA with Europe by 2015. (Business Mirror)

OFW remittances up 6% in Jan-Nov '12

Money sent home by Filipinos living and working overseas hit \$19.416 billion in the first 11 months of 2012, up six percent from a year ago level, the Bangko Sentral ng Pilipinas (BSP) reported yesterday. The latest growth figure was higher than the central bank's forecast of a five percent expansion. For November alone, cash remittances amounted to \$1.918 billion, the second highest for the year after October's \$1.928 billion. Personal remittances such as hand-carried money transfers also grew 7.6 percent to \$2.131 billion in November. So far, these transfers have grown by a faster 6.1 percent to \$21.592 billion during the 11-month period. (The Philippine Star)

Emerging markets to lead growth this year -report

Emerging markets are likely to lead global economic growth this year, with China's economic slowdown appearing to have bottomed, Columbia Management and Threadneedle said in their 2013 International Outlook report on Monday. Boston-based Columbia Management, with \$340 billion in assets under management, said approximately 70% of the world's incremental global growth is coming from emerging markets -- even with the big markets of China and Brazil slowing down materially. While growth rate levels may not return to emerging markets to what it was during the last decade, it will be of higher quality derived from a consumption-led growth driven by a strong sustainable middle class rather than by fixed asset investment. It said Chinese market data shows signs of the economic slowdown having bottomed, which is a clear plus for equity markets and risk assets generally. (BusinessWorld)

FINANCIAL TRENDS

Philippine stocks succumb anew to profit-taking

Local stocks tumbled on profit-taking for the second day on Wednesday as global growth woes dampened trading across regional markets. The main-share Philippine Stock Exchange Index shed 40.15 points, or 0.66 percent, to finish at 6,047.52. This was in line with the weak sentiment across the region after the World Bank slashed its global growth forecast further to 2.4 percent this year from an earlier outlook of 3 percent. (Philippine Daily Inquirer)

P/\$ rate stands at P40.625/\$1

The peso exchange rate closed lower at P40.625 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.57 the previous day. The weighted average rate depreciated to P40.637 from P40.569. Total volume amounted to \$954.5 million. (Manila Bulletin)

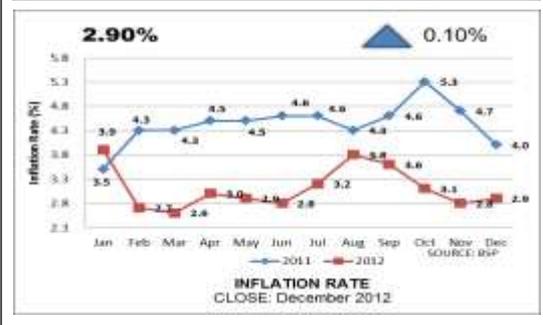
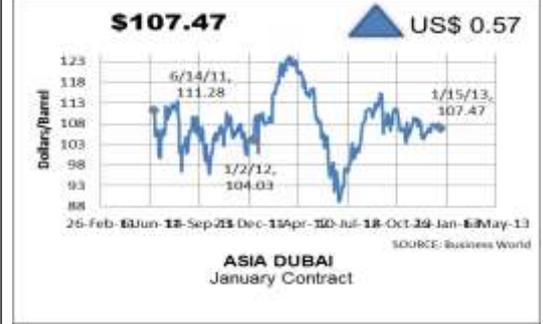
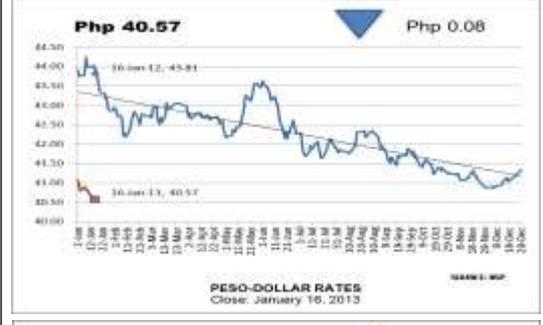
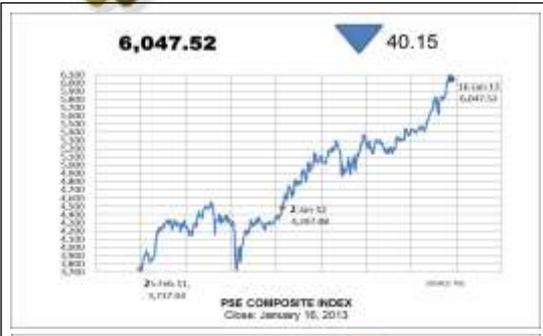
INDUSTRY BUZZ

Local auto industry records full-year gains

Vehicle sales fell within industry expectations last year, data released yesterday indicated, with both vehicle manufacturers and importers having posted gains. The Association of Vehicle Importers and Distributors (AVID) yesterday said its members sold a total of 28,400 units in 2012, up 14% from the year earlier. Talled with the Chamber of Automotive Manufacturers of the Philippines, Inc.'s (CAMPI) count of 156,649 units -- an 11% year-on-year increase -- and taking out sales by common member CATS Motors, Inc., the full-year result was 184,248. AVID said its 10 members saw an 18% increase in the passenger car segment with sales of 16,284 units. Light commercial vehicles, meanwhile, gained by 9% to 12,116 units. (BusinessWorld)

Honda launches stylish 'Urban SUV'

Honda unveiled Monday a stylish "urban SUV" concept at the heart of a small car onslaught aimed at helping the Japanese automaker boost global sales by 50 percent over the next four years. An expansion of the already popular Fit family, Honda said the muscular yet compact car will offer a great alternative to customers who want the versatility of a sport utility vehicle with the size and handling of a small car. The new model will hit the US and Japanese markets in 2014 following the launch of the updated Fit before being rolled out worldwide. (Manila Bulletin)



	Wednesday, 16 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	7.07%	7.24%	7.79%

