

MACROECONOMIC SNAPSHOT

Net hot money inflow hits \$3.885B

Foreign investors swamped the local financial markets last year, with the net inflow of foreign portfolio investments beating official forecasts, the Bangko Sentral ng Pilipinas (BSP) reported last week. Portfolio investments – also called “hot money” for the ease they enter and exit economies – posted a net inflow of \$3.885 billion in 2012, well above the BSP’s revised \$3.2-billion projection. The total tally, however, was down 4.7 percent from a net inflow of \$4.077 billion reached in 2011. A net inflow indicates more foreign investments entered the country than left. For December alone, hot money recorded a net inflow of \$212.65 million. “(This) reflected... renewed interest in PSE-listed securities, coupled with sustained investor confidence in the country’s sound macroeconomic fundamentals,” the central bank said. (The Philippine Star)

Banking sector resources up by 8%

The resources of the country’s banking sector grew further in October as the expanding economy helped boost the profitability of industry members and deposits from the public. This was according to data from the Bangko Sentral ng Pilipinas, which said that the growing resources of banks indicated that the industry remained healthy despite the weakness of the global economy. Data showed that the combined resources of universal and commercial, thrift and rural banks in the country amounted to P7.89 trillion as of the end of October, up by about 8 percent from P7.31 trillion in the same period in 2011. The BSP said bank resources were largely boosted by growing deposits from enterprises and individuals, indicating their growing confidence in the Philippine banking system. (Philippine Daily Inquirer)

US economy picks up since Nov., says new Fed survey

The US economy has picked up pace since November, with Christmas sales modestly stronger and New York and New Jersey rebounding from Hurricane Sandy, the Federal Reserve’s Beige Book showed. But the survey of regional economic activity, important to setting monetary policy, showed manufacturing still sluggish, hiring and inflation still subdued and the stifling effect of the fiscal cliff fight still lingering. “Reports from the 12 Federal Reserve districts indicated that economic activity has expanded since the previous Beige Book report, with all 12 districts characterizing the pace of growth as either modest or moderate,” the report said. (Manila Bulletin)

FINANCIAL TRENDS

Optimism to provide more lift

The Philippine Stock Exchange (PSE) is expected to test higher levels this week on the back of continued general optimism over the economy, analysts said late last week. The PSE index (PSEi) gained 1.45% to 6,139.21 last Friday -- its eighth record high for the year -- from 6,051.75 the previous week, while the broader all-share index rose by 1.19% to 3,862.41 from 3,817.05. (BusinessWorld)

P/\$ rate stands at P40.575/\$1

The peso exchange rate stands at R40.575 to the US dollar last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at R40.58. (Manila Bulletin)

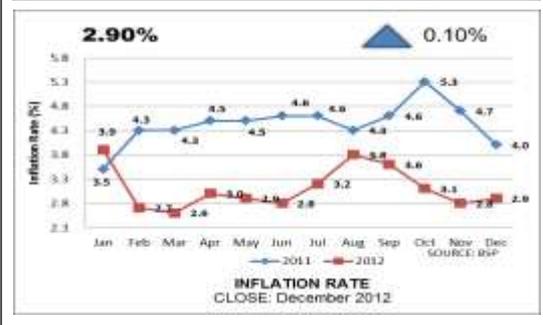
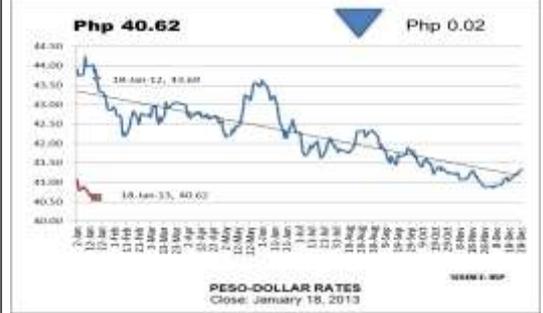
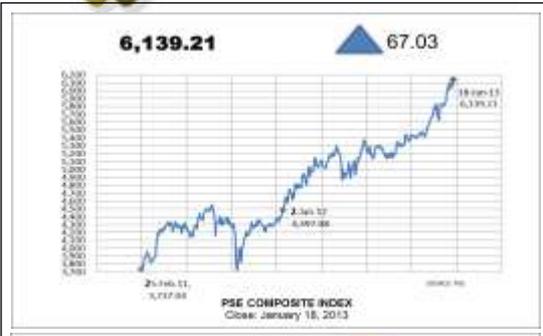
INDUSTRY BUZZ

Almera seen driving Nissan sales this year

Nissan Motor Philippines, Inc., the local unit of Japanese car maker Nissan Motor Co., aims to more than double its sales this year from 2012 and recover from a slump in 2011, a senior company official said last Wednesday. “For Nissan, we believe this year is going to be a very good year for us because we have the new Almera as part of our lineup. I hate to be too ambitious, but I’m looking at doubling our sales, simply with the Almera,” Lee Caesar S. Junia, Nissan Motor vice-president for marketing, sales and after-sales division, told reporters on the sidelines of the launch of the Nissan Almera at the Makati Shangri-La hotel. “Right now, we’re about 1,500 (units) a year, so for 2013, 3,500 to 4,000 units maybe.” (BusinessWorld)

Isuzu 2012 sales climb 20%

Isuzu Philippines Corp. posted a 20 percent leap in sales in 2012 its best annual performance since 2004 firming up this all-truck assembler’s fourth spot among the country’s largest vehicle manufacturers. IPC sold 11,759 units in 2012, reflecting 20 percent increase from its 9,820 units sold in 2011. “The 20% growth of Isuzu Philippines Corporation in 2012 is proof that the company continues to offer value-laden products that are appreciated by Filipinos,” IPC President Ryoji Yamazaki said. “In 2013, Isuzu will be even more aggressive as we increase our brand equity, and improve our dealer facilities and services, as we target to sell 13,000 vehicles.” (Manila Bulletin)



	Friday, 21 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	7.08%	7.24%	7.79%

