



DASHBOARD

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MACROECONOMIC SNAPSHOT

BSP urged to let peso rise vs dollar

The International Monetary Fund has urged Philippine monetary authorities to allow the peso to appreciate with the expected increase in the inflow of dollars this year and avoid measures to reverse market trend. This is particularly if the foreign-exchange inflow would come in the form of foreign direct investments and an increase in remittances from overseas Filipinos. "The exchange rate should move in line with structural flows," Rachel Van Elkan, chief of the IMF mission to the Philippines, told reporters last week following the visit of IMF officials to assess the country's economic conditions. The IMF believed that efforts to keep currencies artificially weak or measures against currency appreciation have adverse consequences on the global economy. (Philippine Daily Inquirer)

Growth goal likely topped

Economic growth may have slowed in the last three months of 2012 but the full-year result likely still topped the official 5-6% target, analysts polled by BusinessWorld said. The median forecast in a survey of 14 economists and analysts was gross domestic product (GDP) growth of 6.4% -- slightly lower than the National Economic and Development Authority's (NEDA) 6.5% estimate. For the October-December period, their median forecast was 6.4%. GDP growth was a better-than-expected 7.1% in the third quarter. Given strong consumption and improved government spending, the country is widely expected to post a full-year result substantially higher than 2011's lackluster 3.7%. Fourth-quarter and full-year GDP data for 2012 will be released this Thursday. (BusinessWorld)

Exports likely grow 6-7% - Philexport

The country's merchandize exports mostly likely grew between 6 and 7 percent last year to \$54 billion, according to the Philippine Exporters Confederation (Philexport). Philexport Sergio Ortiz-Luis said that since the 10-11 percent growth target for 2012 cannot be met anymore, exports growth projections should be adjusted to 15 percent annually for 2013 to 2015 to attain the goal of \$120 billion by 2016. Ortiz-Luis said the 15 percent growth is attainable because of the lower base last year. Other positive factors for exports are the improving economy of the US, its major export market, the growth in the local indigenous exports and the improving electronics industry, he said. (Manila Bulletin)

FINANCIAL TRENDS

PSEi climbs to 10th record high this year

The main stock index surged to a fresh all-time high yesterday, its 10th so far this year, as investors positioned ahead of the corporate earnings season and the trickle of positive news abroad. The bellwether Philippine Stock Exchange index (PSEi) gained 0.4 percent or 24.78 points to vault to a record 6,192.42, eclipsing the previous mark of 6,171.70 set on Jan. 21. (The Philippine Star)

P/\$ rate closes at P40.91/\$1

The peso exchange rate closed lower at P40.91 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.66 last Friday. The weighted average rate depreciated to P40.741 from P40.687. Total volume amounted to \$1.203.2 billion. (Manila Bulletin)

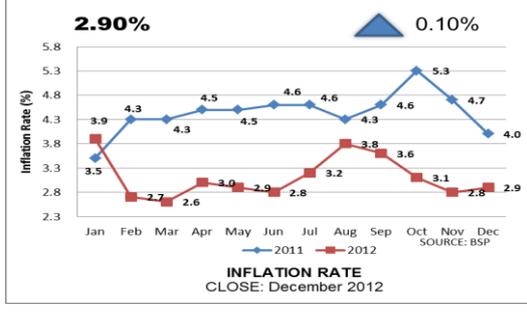
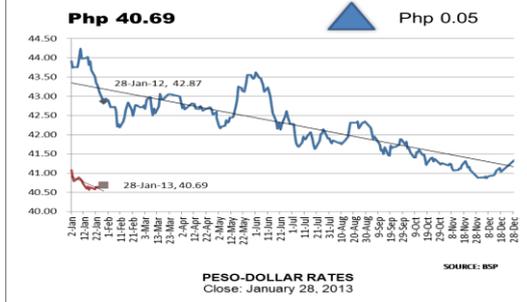
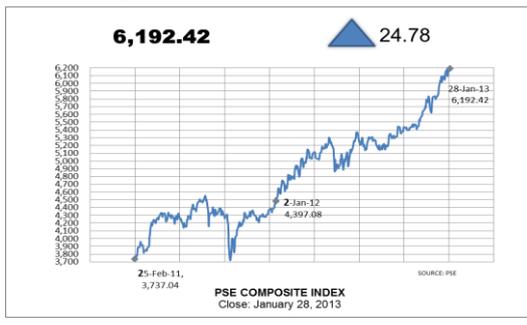
INDUSTRY BUZZ

CAMPI eyes 10% sales hike

Auto sales are expected to grow by 10 percent this year from last year on the back of the country's strong economic performance. Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) president Rommel Gutierrez said in a text message that they expect sales to reach 172,000 units this year. Last year, CAMPI sold 156,649 units, up 11 percent from 2011 due to an increase in purchases of both commercial vehicles and passenger cars as well as the influx of new models and availability of competitive financing schemes. For this year, Gutierrez said the higher sales will be driven by the "sustained economic growth, (and as) GDP (gross domestic product) per capita (is seen) to reach \$2,500." (The Philippine Star)

Toyota parts exports nearing \$1-B

Toyota Group Philippines exported a total of \$963 million worth of autoparts and components in 2012 reflecting a buoyant 20 percent increase from the \$802 million in 2011 on strong demand from the US, Japan, Europe and Asean countries. The company's exports include transmissions, constant velocity joints, wiring harness, engine control unit, meter combination, clocks, antenna and switches. These parts are used in the assembly of Toyota car models such as Vios, Camry, Corolla, Yaris, Fortuner, Hilux and Innova. (Manila Bulletin)



	Thursday, 24 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	6.96%	7.10%	7.79%

