



DASHBOARD

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MACROECONOMIC SNAPSHOT

Deficit at 2-2.3% of GDP

The deficit likely settled at about 2.3% of gross domestic product (GDP) last year, a Cabinet official yesterday said, still well under the programmed ceiling even as the government made a renewed push to ramp up spending. "It (the 2012 deficit) could hover anywhere within 2-2.3% of GDP. Not [the target of] 2.6%. Closer to 2.3%, I think, than 2%," Budget Secretary Florencio B. Abad at the sidelines of the 2013 Philippines Development Forum at the Marco Polo Hotel. The 2012 deficit cap of 2.6% is equivalent to P279.1 billion. The shortfall stood at P127.3 billion as of November. (BusinessWorld)

WB urges gov't to jack up infrastructure spending

The World Bank wants the Philippines to jack up spending for infrastructure, adding that it is willing to extend whatever amount of loan the government will need to achieve the agenda of investment generation and job creation. Motoo Konishi, World Bank's country director for the Philippines, on Tuesday said the country needed to spend an amount equivalent to 5 percent of GDP on road networks, irrigation, power and other infrastructure projects to generate the amount of investments needed to achieve the government's job creation and poverty reduction goals. He said infrastructure projects aimed at boosting the country's tourism and agriculture sectors should be the priority. The World Bank believes that with ample support, these sectors can create a significant number of jobs within a short period. (Philippine Daily Inquirer)

ILO warning: global market worsening; 197M jobless

The International Labor Organization (ILO) said the global labor market has worsened, leaving 197 million jobless last year in the aftermath of the global financial crisis and failure of policy-makers to create more decent jobs. According to an ILO report on Global Employment Trends issued on Monday, some 39 million people lost their jobs in 2012, opening a 67-million global jobs gap since 2007. The report blamed the "indecision of policy-makers" in some countries that led to uncertainty about future conditions. The ILO predicted that global unemployment will further swell to some 210.6 million over the next five years. (Business Mirror)

FINANCIAL TRENDS

Stock market rally continues

Local stocks rallied to a new record-high Tuesday, bucking the downtrend across the region, on good local macroeconomic outlook for 2013. Overcoming rough trading early in the session, the main-share Philippine Stock Exchange index added 34.51 points or 0.54 percent to a new all-time high of 6,470.49. This marked the 15th record finish for this year and the 76th since President Aquino assumed office in mid-2010. (Philippine Daily Inquirer)

P/\$ rate closes at P 40.695/\$1

The peso exchange rate closed lower at P40.645 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.595 the previous day. The weighted average rate depreciated to P40.637 from P40.603. Total volume amounted to \$740.4 million. (Manila Bulletin)

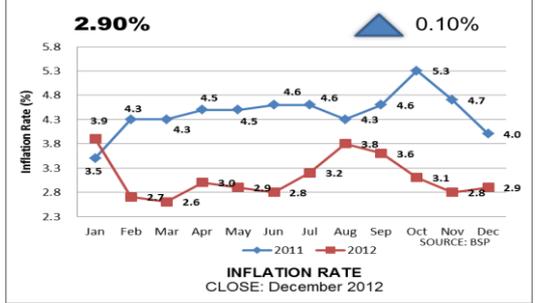
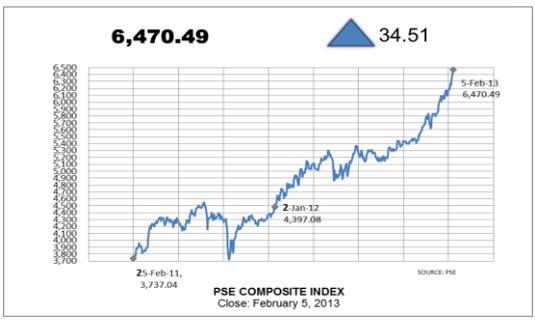
INDUSTRY BUZZ

Lunar holiday shift lifts Japanese car sales in China

Major Japanese car makers reported double-digit gains in January sales in China, the first year-on-year growth in five months, with a boost from a calendar shift as well as the waning impact of a territorial dispute between Beijing and Tokyo. On Monday, Nissan Motor Co. said its sales in China last month were up 22% from a year earlier, to 115,700 vehicles, and Honda Motor Co. said its sales through its two joint ventures also were up 22%, to 47,248 vehicles. Analysts said the increase was largely due to absence of the Lunar New Year holiday, which fell in January last year but lands in February this year. Sales of autos in China typically slow dramatically during the weeklong holiday. (Wall Street Journal)

Luxury car distributor banks on strong economy, new models

CATS Motors, Inc., local distributor of the Mercedes-Benz, Chrysler, Jeep and Dodge brands, aims to grow sales by double-digit rate this year and recover from a slump in 2012 on the back of new models introduced amid a faster-growing economy, a senior company official said last week. "To be modest, we're looking at a minimum 15-20% growth in terms of volume and sales," Robert P. Shaw, CATS Motors vice-president for Sales and Planning, said when asked on his company's prospects for the year. "We're pretty confident about this year in terms of sales and volume. We are bullish about 2013," Mr. Shaw added. (BusinessWorld)



	Tuesday, 5 February 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	7.06%	7.07%	7.79%

