

MACROECONOMIC SNAPSHOT

Inflation seen at low end of 3-5% target

The private sector is expecting inflation to remain within the low end of the central bank's three- to five-percent target range this year and next, a Bangko Sentral ng Pilipinas (BSP) survey showed. Consumer prices, which rose 3.2 percent last year, could accelerate 3.6 percent in 2013 and 3.9 percent in 2014, economists from 18 private banks polled by the BSP said. The forecasts were slower compared to their September assessments of 3.9 percent and four percent for this year and next, respectively. These, however, remain above the central bank's own outlook of three percent and 3.2 percent. (The Philippine Star)

RP among 'resilient' countries – MasterCard

The Philippines' robust economic growth has made it among the "resilient" countries in the Asia Pacific region and the Middle East, the worldwide survey revealed. In its latest Insights Report, MasterCard survey revealed that the Philippines along with Japan and Hong Kong ranked highest on the index as "relatively resilient." The MasterCard survey assesses the extent to which a slower growing global economy and specifically a slowdown in merchandise exports, will impact the resilience of consumer confidence in key markets in Asia Pacific and the Middle East. Following the three nations are Singapore, Saudi Arabia and Kuwait. UAE was ranked lowest or "very vulnerable." "Markets with the highest level of consumer confidence, as well as those that are most resilient to a slowdown in merchandise exports have the strongest potential to weather the economic downturn," MasterCard said. (Manila Bulletin)

Coconut oil exports rose 81% in January

Coconut oil exports jumped by 81.35 percent in January to 115,186 metric tons from 63,517 MT in the same month last year, preliminary data from the United Coconut Association of the Philippines (Ucap) showed. "There was an increase in the demand in our existing markets," said Yvonne Agustin, Ucap executive director, noting that the industry's major markets such as the United States and Europe continued to show signs of recovery from the economic slowdown. Ucap earlier reported that in 2012, the total outbound shipment of coconut oil fell short of its full-year target due to the softening of demand for the product. (Philippine Daily Inquirer)

FINANCIAL TRENDS

PH stocks dips after touching new record high 6,500

Local stocks started the first trading day of the Year of the Water Snake with a bang, allowing the main index to touch 6,500 for the first time, before retreating at close. The main-share Philippine Stock Exchange index ended 0.66 points or 0.01 percent lower at 6,458.01 after hitting a new record intra-day peak of 6,500.08. (Philippine Daily Inquirer)

Peso moves sideways amid thin volumes

The peso moved sideways against the dollar yesterday, trading within a tight range, with most markets in the region for the Chinese New Year. The local unit lost P0.02 to close at P40.695 per dollar from its P40.675-per-dollar close last Friday. (BusinessWorld)

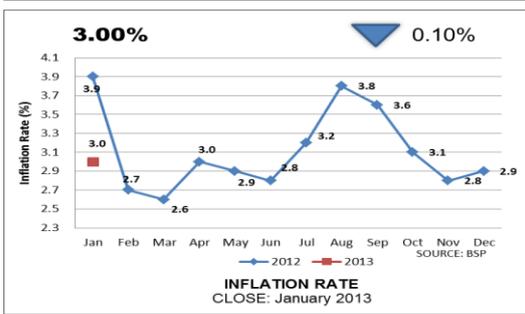
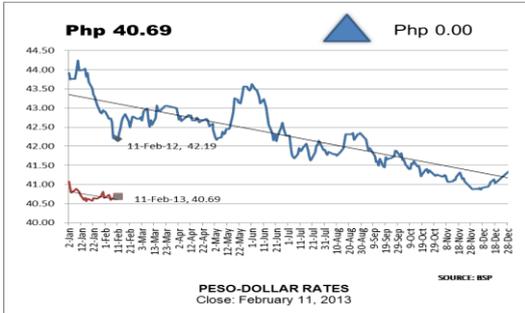
INDUSTRY BUZZ

'Road map' to make sector competitive out in April

The government is looking at releasing by April this year a "road map" that seeks to make the local automotive industry globally competitive. Lucita P. Reyes, executive director of the Board of Investment's (BOI) industry development group, said the government is still consulting industry players on the proposed road map. "We're hoping to come up with the auto industry road map in two months," Reyes told a forum organized by the Automotive Association of the Philippines (AAP) in San Juan City, Metro Manila. The BOI official said that a major goal of the proposed auto industry road map is to make the Philippines competitive in the completely knocked down (CKD) segment. (Business Mirror)

Nissan view defies Japan car makers optimism

Nissan Motor Co bucked the optimistic trend among Japanese carmakers reporting quarterly earnings, leaving its annual profit forecast unchanged as sluggish sales weighed on its bottom line while others got a boost from a weakening yen. The cheaper yen is improving the competitiveness of cars made by Nissan, Toyota Motor Corp, Honda Motor Co Ltd and other Japanese brands when exported to key markets such as the United States, and adding to pressure on their South Korean rivals. Shares in South Korea's biggest carmaker Hyundai Motor Co have fallen around 20 percent since the start of October; by contrast, Toyota shares are up more than 50 percent. The revivifying effect of the falling yen is being felt throughout Japan's auto industry supply chain. (BusinessWorld)



	Monday, 11 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	7.14%	7.09%	7.79%