



DASHBOARD

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MACROECONOMIC SNAPSHOT

Korean agency upgrades Philippine rating

Economic managers on Tuesday welcomed the upgrade on the Philippines' rating outlook by a Korean-based credit rating agency saying that this will increase the economy's attractiveness to foreign investors. Nice Investors Service maintained its 'BB+' foreign currency rating and 'BBB-' local currency rating for the Philippines but changed from "stable" to "positive" its rating outlook after noting the improvement in fiscal condition, the continued fiscal consolidation and resilient services sector among others. It noted the government's fiscal consolidation effort such as the amendment in the Sin Tax Law. The credit rating agency does not see "significant" inflation pressures in the near term due to strong peso and the "stagnant global demands and decreasing food and oil prices." (Manila Bulletin)

Exports hit record \$52-B

The country's merchandise exports hit a record-high of \$51.994 billion in 2012 driven by the growth in shipments of various commodities. The value of exports last year was the highest seen by the country since it reached \$51.498 billion in 2010. The National Statistics Office (NSO) said yesterday the value of exports last year was also 7.6 percent higher than the \$48.305 billion in 2011. For the month of December alone, exports grew 16.5 percent to \$3.970 billion from the same month in 2011. "The sustained increment was supported by the positive year-on-year change in bananas (fresh), petroleum products, metal components, tuna and woodcrafts and furniture," the NSO said. (The Philippine Star)

Downside risks have abated - Moody's

Moody's Investor Services yesterday said downside risks for the global economy had receded in the past three months, though a number of dangers still remained. In its latest Global Macro Risk Scenarios report, the ratings agency also said it expected economic growth to be slow in many countries. "While our central forecasts are little changed, the downside risks have definitely abated over the past three months," said Colin Ellis, Moody's senior vice-president for macro financial analysis. "However, we still expect a subdued global recovery with sub-trend growth in most advanced economies over the near term, alongside a relatively soft pace of expansion in emerging markets as well." Moody's expects real growth for the G20 of around 2.9% in 2013, followed by 3.3% in 2014. It forecast growth in the United States this year, but expects the euro area as a whole to stagnate. (BusinessWorld)

FINANCIAL TRENDS

Philippine stocks breach 6,500 for first time in history

The local stock index closed above 6,500 for the first time on Wednesday as cash-awashed investors chased yields and bet on the country's good macroeconomic prospects. The Philippine Stock Exchange index surged by 68.06 points or 1.05 percent to finish at 6,527.99. (Philippine Daily Inquirer)

P/\$ rate closes at P40.67/\$1

The peso exchange rate closed higher at P40.67 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.69 the previous day. The weighted average rate appreciated to P40.658 from P40.706. Total volume amounted to \$715.2 million. (Manila Bulletin)

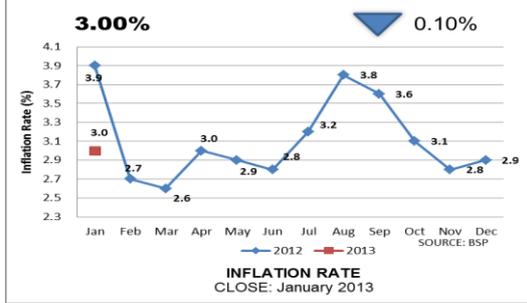
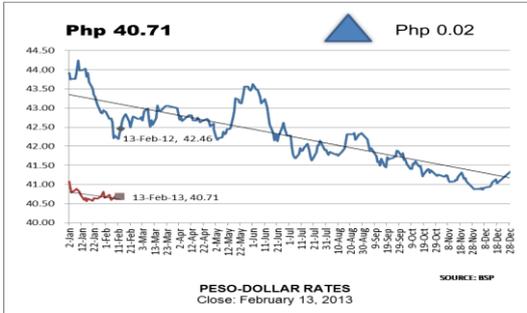
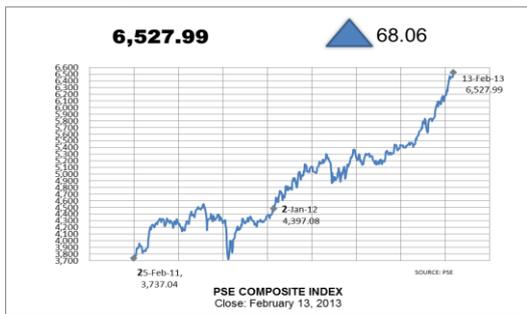
INDUSTRY BUZZ

Hyundai's US chief sees 2013 US sales up 4.4%

The addition of a third shift at its Alabama plant last year will allow South Korean automaker Hyundai Motor Co to increase its U.S. sales 4.4 percent in 2013 to 734,000, Hyundai Motor America Chief Executive John Krafcik said on Monday. Adding the third shift to the plant in Montgomery, Alabama allows an additional 60,000 units of annual production, Krafcik said. If the U.S. auto industry has 2013 sales of 15.1 million, as Hyundai expects, the company will maintain the 4.9 percent share of the U.S. market it achieved in 2012, Krafcik said after a meeting with Hyundai U.S. dealers at the annual convention of the National Automobile Dealers Association. (BusinessWorld)

Ford Fiesta receives maximum 5-Star safety rating

The Ford Fiesta has received the highest safety rating among eight popular car models recently tested by the inaugural ASEAN NCAP (New Car Assessment Program) frontal collision crash test. The four-door 1.6L Ford Fiesta obtained the highest assessment in the first independent crash test on ASEAN cars' safety specifications by achieving a 5-star rating for Adult Occupant Protection (AOP) and 66 percent score for Child Occupant Protection (COP), achieving the highest evaluation of 15.73 from full score of 16. (The Philippine Star)



	Tuesday, 12 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	7.10%	7.09%	7.79%

