



DASHBOARD

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AVID Daily E- News

February 18, 2013

Volume 5 No. 41

MACROECONOMIC SNAPSHOT

Net portfolio inflow up in January

Foreign portfolio investments surged to a 26-month high in January as investors swamped local financial markets on optimism about the economy, the Bangko Sentral ng Pilipinas (BSP) reported yesterday. Portfolio placements – also called “hot money” for the ease they enter and exit economies – posted a net inflow of \$1.270 billion last month, more than double the \$586.01 million posted in the same period last year. It was also the strongest performance since the \$1.663 billion net inflow recorded in November 2010. A net inflow indicates more investments entered the country than left. Broken down, gross inflows totaled \$2.810 billion, while gross outflows reached \$1.539 billion. (The Philippine Star)

Manufacturing to drive RP economy

The government expects the manufacturing sector, which economic contribution has been overtaken by the brisk services sector, to lead domestic growth to address the issue of joblessness in an otherwise robust domestic economy and to create more business opportunities. Socio Economic Planning Secretary Arsenio Balisacan said at yesterday's Economic Managers Briefing that a momentum in the manufacturing sector is expected this year following the inflow of more investments in this sector in the last two quarters last year. "We expect the manufacturing sector to further its momentum given the manufacturing investments in the third and fourth quarter last year," said Balisacan. He said the new investments should push for a more investment-driven economic growth from the current consumption led economy. (Manila Bulletin)

Euro-zone economy slows

The euro-zone economy plunged last quarter at its fastest pace in nearly four years, as weakening global activity and deep recessions along the currency zone's southern border gripped powerhouses such as Germany and France. The report on gross domestic product from the European Union's statistics office highlights a key risk for the currency bloc as Europe's debt crisis enters its fourth year. Financial market conditions have improved markedly since last summer, due in large part to the European Central Bank's pledge to do "whatever it takes" to preserve the euro. But these gains haven't translated into new business activity. (Wall Street Journal)

FINANCIAL TRENDS

Consolidation anticipated

Stocks are expected to trade within a narrow range this week, albeit with a downward bias following its recent record highs, even as some rises may be seen with the continued release of corporate earnings and economic data, as well as the first initial public offering for the year. The Philippine Stock Exchange index (PSEi) gained 0.98% to 6,521.64 last Friday from 6,458.67 the week previous, while the broader all-share index rose by 0.91% to 4,101.44 from 4,064.41. (BusinessWorld)

P/\$ rate stands at P40.602/\$1

The peso exchange rate stands at P40.602 to the US dollar last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.61. (Manila Bulletin)

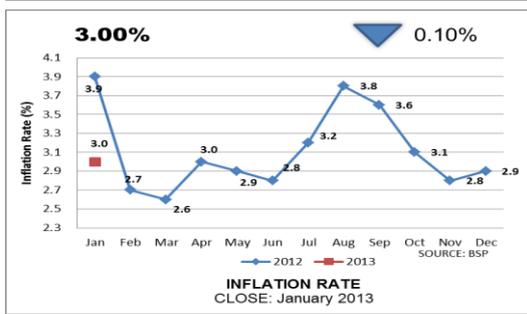
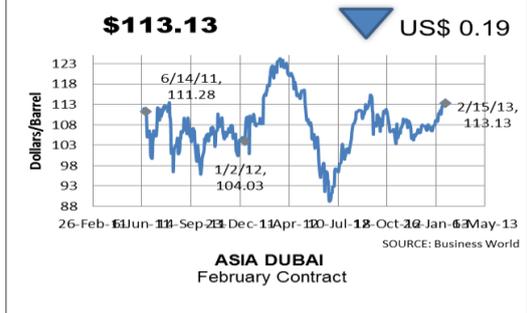
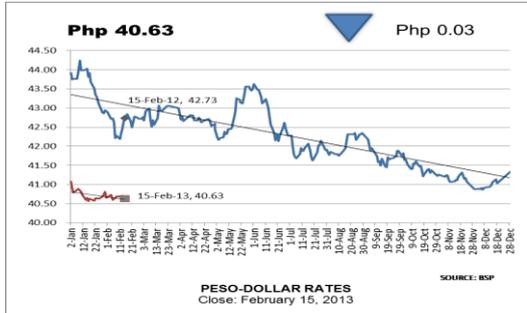
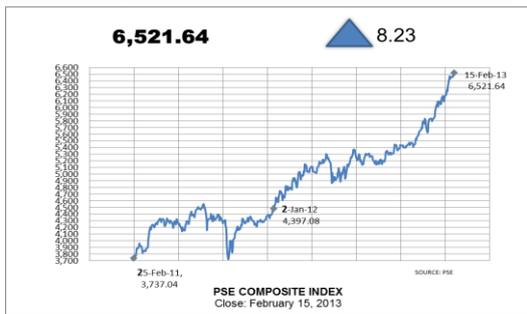
INDUSTRY BUZZ

U.S., China buyers keep GM rolling

General Motors Co. reported a larger fourth-quarter profit and earned money for the third consecutive year in a row as strong results from its North American operations offset wider losses in Europe. The largest U.S. auto maker by revenue reported a 2012 profit of \$6.19 billion, down 33% from \$9.19 billion a year ago, as all its operations outside Europe generated profits. Revenue for the full year was up 1% to \$152.3 billion. Europe's losses continued to overshadow gains elsewhere as recession on the continent continues to pressure GM's Adam Opel and Vauxhall operations. GM's losses in the region last year more than doubled to \$1.8 billion. The auto maker expects industry sales in the region to decline and remain at 20-year lows this year. (Wall Street Journal)

Mitsubishi PH prepares for 50th year bash

With its roots dating back to February 1963, MMPC is set to mark its 50th anniversary to be held at the Raffles and Fairmont Makati. "2013 will be truly an exciting year for MMPC, as we will be introducing new additions to our lineup and at the same time several upgrades to keep our existing models more interesting to the market. Our challenge is to sustain the growth trend and keep Mitsubishi a strong and trusted brand in the Philippines," promised MMPC president and CEO Hikosaburo Shibata. This year, company plans to sell 43,000 units, a significant 23-percent increase from last year's 34,915 units (the company enjoyed a 22-percent share of the market last year). (Philippine Daily Inquirer)



	Thursday, 14 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	7.13%	7.09%	7.79%

