

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### PH economy's 'weakness' is agriculture, says think tank

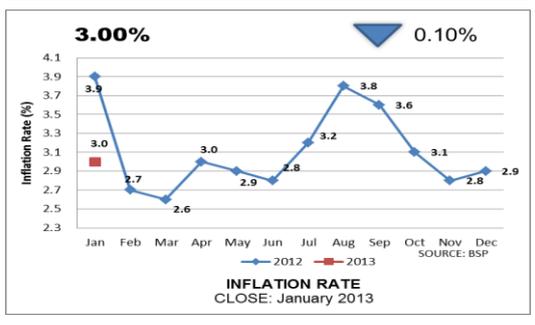
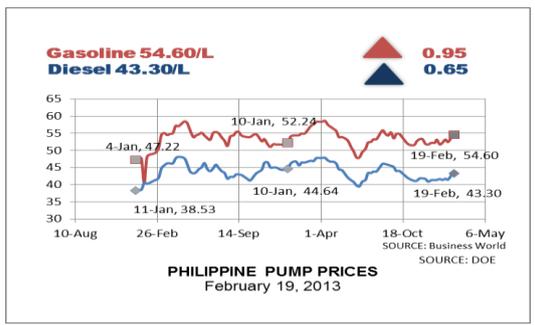
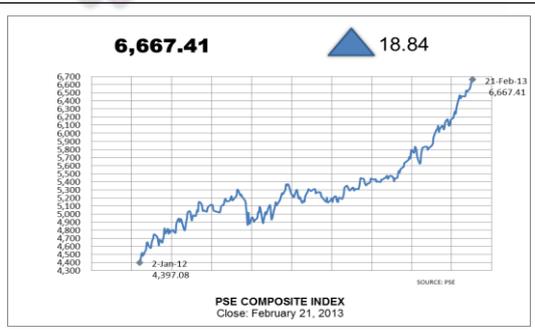
Philippine economic growth in the fourth quarter of 2012 may have surpassed expectations but a local think tank said the numbers exposed the weakness of the agriculture sector which requires a permanent solution. First Metro Investment Corp. and University of Asia and the Pacific's Capital Markets Research noted that in the last four years the agriculture, forestry and fishery sectors trended "sluggishly" at a quarterly pace of 1.2 percent, way below the 4.7 percent and 5.8 percent quarterly rates of industry and services, respectively. "This is despite the fact that almost four out of 10 Filipino workers are in agriculture and basic food processing. Moreover, a great majority of the poor, approximately 70 percent, live in rural [areas]," said its periodic report titled "The Market Call." Despite this, the report noted that Philippine policy-makers have been giving less importance to agriculture, forestry and fishery. (Business Mirror)

### NG debt climbs to P5.4 trillion

The National Government's outstanding debt grew by 9.8% last year as it borrowed more from domestic sources in a bid to shield itself from foreign exchange risk, data from the Bureau of the Treasury (BTr) showed. As of December, the government's debt stood at P5.437 trillion, higher than the P4.951 trillion incurred in 2011 and 1.66% more than the P5.348 trillion the government had programmed for 2012. "Of the total debt, P1.969 trillion or 36% was owed to external creditors and P3.468 trillion, or 64%, to domestic creditors," the BTr said in a statement yesterday. (BusinessWorld)

### ADB says Ph, Asia economies to survive euro crisis

The Asian Development Bank said the Philippines and other developing countries in Asia have the capacity to remain stable in the event that the prolonged crisis in the eurozone should evolve into another global economic meltdown. In one of its latest papers, the ADB said deterioration in the eurozone condition would drag the growth of Asian economies lower but only to a manageable extent. "The euro crisis is still far from fundamentally resolved and its evolution will clearly impinge heavily on its future impact. [However], our analysis of the impact of a euro crisis on developing Asia points to a sizable but manageable short-term impact," the ADB said in the paper titled "Economic Impact of Eurozone Sovereign Debt Crisis on Developing Asia." (Philippine Daily Inquirer)



## FINANCIAL TRENDS

### Index rises on late buying

A buying surge late in the trading day sustained the rally in share prices, allowing the benchmark index to post its 20th all-time high this year. The Philippine Stock Exchange index ended higher for the sixth straight day, adding 0.28 percent or 18.84 points to close at a new record high at 6,667.41. The main index, which posted an all-time high for the fourth straight trading day, slipped 0.29 percent or 19.09 points to end the morning session at 6,629.48 before late buying in the afternoon. (The Philippine Star)

### P/\$ rate closes at P 40.72/\$1

The peso exchange rate closed lower at P40.72 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.655 the previous day. The weighted average rate depreciated to P40.726 from P40.623. Total volume amounted to \$982.5 million. (Manila Bulletin)

## INDUSTRY BUZZ

### Ford to make small engine at Ohio plant

Ford is moving production of a small engine from Spain to Cleveland as sales of four-cylinder motors rise. Later this week, Ford will announce a \$200 million investment at its factory in Brook Park, Ohio, so it can make the four-cylinder, 2-Liter "EcoBoost" engine, according to a person briefed on the matter. The move will add about 450 jobs at the factory that now employs about 1,300 hourly and salaried workers. The factory now makes two larger six-cylinder engines. (Business Mirror)

### General Motors turns 2012 profit despite losses in Europe

General Motors Co. on Thursday posted a profit of \$4.9 billion for 2012, down 36 percent from a year earlier, when it made \$7.6 billion. Its net income fell because of European losses and a truckload of one-time accounting gains and losses in both years. Last year's pretax profit, which excludes the one-time items, still dropped, but only by 5 percent to \$7.9 billion. Revenue for the year rose 1 percent to \$152.3 billion. The company's money machine, North America, made \$6.9 billion before taxes for the year. But GM lost almost \$1.8 billion in Europe, where it has too many factories and workers, as sales slow in a faltering economy. (Philippine Daily Inquirer)

	Wednesday, 20 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	7.11%	7.14%	7.79%

