



DASHBOARD

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MACROECONOMIC SNAPSHOT

Gov't optimistic of rating upgrade

The Philippine government is optimistic that the country could notch its first-ever investment grade rating this year, following last week's meetings with debt watcher Fitch Ratings which they described as "very positive." "They were very cordial. They did not look misbelieving and the tone of the meetings was very positive," Finance assistant secretary Ma. Teresa Habitan told The STAR in a phone interview. The Aquino administration, which has enjoyed 11 positive credit rating actions since it took over in July 2010, targets reaching investment grade this year to further lower debt interest payments and attract foreign investments. (The Philippine Star)

BIR misses January target by 6%

The Bureau of Internal Revenue raised P94.74 billion in January, increasing by 11.3 percent from the year-ago collections of P85.15 billion but falling short of the month's target of P100.93 billion by 6.1 percent. Based on BIR data released Wednesday, P89.03 billion of January collection accounted for cash. Compared to the cash goal for the month, the intake fell short by 8.2 percent. The rest of the revenues in January represented P5.71 billion in non-cash inflows such as payments that were made using tax credits. (Philippine Daily Inquirer)

Banking sector outlook stable

Credit risks are building for Philippine banks sector but overall the outlook for the sector remains stable, Standard and Poor's (S&P) yesterday said. "A buoyant GDP (gross domestic product) has fuelled the growth in bank loans and led to improvement in asset quality... But the acceleration in loan growth has increased the underlying credit risk," S&P said in a report entitled: "Philippine Banking Outlook 2013: A Buoyant Economy Spurs Financial Strengthening." Credit growth should be sustained at 10-12% this year, the debt watcher said, amid continued economic growth and a low interest rate environment. It warned, however, that "credit growth fueled by easy monetary settings can encourage excesses. The longer such a situation persists, the more likely it is to create imbalances that could undo the financial strengthening achieved to date." (BusinessWorld)

FINANCIAL TRENDS

Index hits new record high

The bellwether index scaled another unprecedented high yesterday due to positive economic news abroad. After a two-day slump, the Philippine Stock Exchange index (PSEi) surged 1.59 percent or 105.18 points to post its 22nd all-time high for the year at 6,721.45. (The Philippine Star)

P/\$ rate stands at P 40.705/\$1

The peso exchange rate stands at P40.705 to the US dollar on Wednesday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.736. (Manila Bulletin)

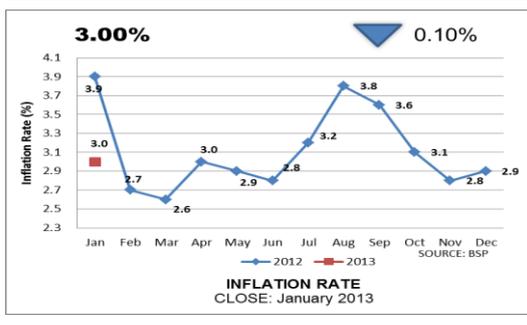
INDUSTRY BUZZ

Nissan Jan-Feb China sales likely down 20%

Nissan, the most exposed of Japan's leading carmakers to China, said earlier in the month its China sales rose 22.2 percent in January from a year earlier, an improvement from a fall of 24 percent in December, although the figures were impacted by the timing of the week-long Lunar New Year holiday. Kimiyasu Nakamura, president of Nissan's joint venture with China's Dongfeng Automobile Group Co, said that while sales were recovering, they still "might be" down around 20 percent in the January-February period compared with the same period a year earlier. The importance of the China market to Nissan was highlighted by the carmaker's unveiling of the Teana brand, its first flagship sedan specifically designed for the market. China sales made up around 25 percent of Nissan's global sales in 2012. (BusinessWorld)

Lexus takes top spot in 2013 auto rankings

Lexus topped all automotive brands in Consumer Reports magazine's 2013 brand report card. Japanese automakers again dominated the rankings, taking eight of the top 10 spots. Lexus vehicles are rarely sporty, but they earned the top score of 79 points out of 100 because of plush and reliable vehicles, the magazine said Tuesday. Subaru and Mazda were tied for second place with a score of 76. Toyota and Acura, Honda's luxury brand, rounded out the top five tied at 74. Honda and Scion were next at 72, followed by Audi and Nissan's upscale Infiniti brand, both at 70. Mercedes-Benz finished 10th with a score of 69. The magazine said Lexus cars are among the most reliable even though they are "brimming with technology," including hybrid gas-electric power systems and complex information and entertainment systems. (Manila Bulletin)



	Thursday, 28 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	7.18%	7.19%	7.79%

