



DASHBOARD

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MACROECONOMIC SNAPSHOT

BSP: Peso under threat as 'hot money' flows in

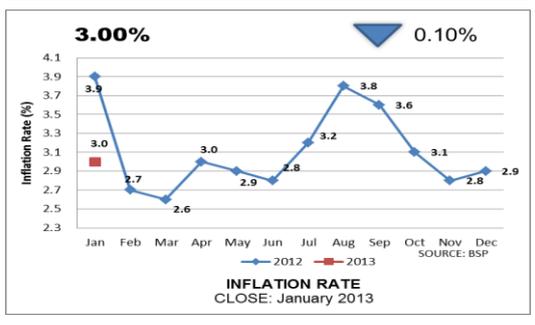
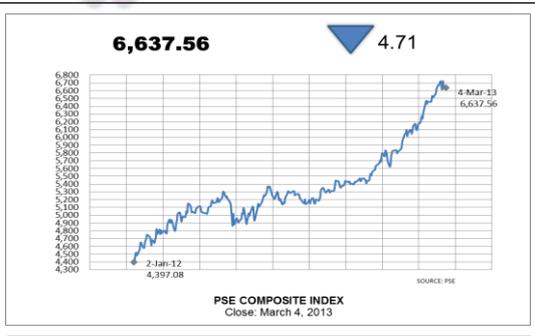
The Bangko Sentral ng Pilipinas said that the country could expect a surge in foreign portfolio investments because of the United States government's plan to automatically cut public spending worth \$85 billion. The steep cuts in the budget of US government agencies, if not reversed by an agreement by the US executive and Congress, are widely expected to dampen the US economy. As a consequence, the Federal Reserve (the central bank of the United States) may be forced to pump more liquidity into the economy to cushion the adverse impact of the budget reductions. Because of the US Fed's stimulus initiatives, more money will circulate in the global economy, some of which will go to emerging markets like the Philippines, the BSP said. The liquidity could come in the form of foreign investments in peso-denominated stocks, bond, and other securities. (Philippine Daily Inquirer)

New export markets eyed for livestock

New overseas markets for livestock and poultry products are being developed to make the industry competitive with other Southeast Asian nations when regional free trade commences in 2015. Bureau of Animal Industry (BAI) director Rubina Cresencio said negotiations are ongoing for the exportation of livestock and poultry products to Papua New Guinea, China, South Korea, Hong Kong and Indonesia. (The Philippine Star)

Asia manufacturers post cooler growth

The recovery in Asia's manufacturing sector took an unsteady step forward in February, continuing to expand but at a slower pace in China, the engine of regional growth. Two gauges of Chinese manufacturing activity released Friday showed growth slowing in February. Taiwan's factory sector also continued to expand, but at a slower pace. Among Asia's other major economies, manufacturing in India bounded forward, while Indonesia's manufacturing sector returned to expansion. Asia's producers have long been burdened by anemic demand in the U.S. and Europe, but manufacturing activity began to rise in recent months on an improved outlook for the U.S. economy and as the region's own consumers have picked up some slack. The importance of Asia as a driver for global growth will only increase as Western economies are expected to remain sluggish. (Wall Street Journal)



	Monday, 4 March 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	7.09%	7.11%	7.79%

FINANCIAL TRENDS

Losses persist on profit taking

The bourse yesterday extended losses from Friday last week, weighed particularly by profit taking and a big drop in Energy Development Corp. (EDC) share price. The Philippine Stock Exchange index (PSEi) shed 4.71 points or 0.07% to close at 6,637.56, while the broader all-share index lost 1.48 points or 0.04% to 4,172.07. (BusinessWorld)

P/\$ rate closes at P 40.775/\$1

The peso exchange rate closed lower at P40.775 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.69 last Friday. The weighted average rate depreciated to P40.778 from P40.706. Total volume amounted to \$938.5 million. (Manila Bulletin)

INDUSTRY BUZZ

US February auto sales up

Auto sales rose nearly 4 percent in February, delivering a better-than-expected performance as strength in the housing market tempered worries over the wave of federal spending cuts due to begin on Friday. The annual auto sales pace for February was 15.38 million vehicles, according to Autodata, better than the 15.1 million rate expected by economists polled by Thomson Reuters. This marked the fourth month in a row that the sales pace held above the 15 million-vehicle mark, a sign that rising home values are helping American consumers feel more confident about buying a new vehicle. (BusinessWorld)

Berjaya Auto Philippines introduces Mazda Yojin 3

Derived from the Japanese word "Yojin" ("care" in English), YOJIN3 is Berjaya Auto Philippines's answer to a worry-free ownership experience. This is an industry-first program which aims to free Mazda owners from the usual doldrums of owning a vehicle. First, for a period of 3 years or 60,000 kilometers (whichever comes first), new Mazda owners can enjoy free periodic service maintenance that includes parts, labor, and lubricants. Second, owners have access to Mazda's nationwide roadside assistance and exclusive concierge service which can do services such as hotel and restaurant reservations. Lastly, all new Mazda vehicles come with a standard 3-year or 100,000-kilometer, bumper-to-bumper manufacturer's warranty. (The Philippine Star)

