

# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### PH a good candidate for upgrade

The Philippines has pitched for an investment-grade status from Standard & Poor's Ratings Services (S&P) whose diligence visit to the country early this week was described by officials as "very positive." "We are a good candidate for investment grade. I am quite optimistic we will get it," Socioeconomic Planning Secretary Arsenio Balisacan told reporters yesterday. S&P rates the Philippines one notch below investment grade at BB+ with a "positive" outlook. The forecast suggests an upgrade could come within the year. (The Philippine Star)

### BSP expected to keep key rates unchanged

The Monetary Board is expected to keep policy rates unchanged when it holds its policy rate setting meet Thursday as the rise in consumer prices remains manageable, according to Barclays Bank and DBS Group. The financial service providers said in separate reports that monetary authorities were not expected to raise the overnight borrowing and lending rates until the fourth quarter. If ever there would be any adjustment in the fourth quarter, they said the increase would only be 25 basis points. In its latest weekly report on the global economy, Barclays said that inflation in the Philippines reached a five-month high of 3.4 percent year on year in February only because of the seasonal effects of the Lunar New Year, which was prevalent in the region particularly in China and Taiwan. (Philippine Daily Inquirer)

### Cooperation seen as key in Asia-Europe ties

Accelerating technological change, labor migration and the increase in the role of non-state institutions are seen to be the key trends affecting the economic interaction of Asia and Europe, a new report from the Asia-Europe Foundation (ASEF) said. ASEF's Asia-Europe Meeting Outlook Report noted those three "mega trends, amongst many others have the most imminent or prevailing effect in financial integration and the potential occurrence of a financial crisis." The foundation said the acceleration of technological change "is poised to present the deepest societal change in any future scenario." ASEF said technological shifts will play a major role in communication, transport and industry especially as economic integration is seen. (BusinessWorld)

## FINANCIAL TRENDS

### PH stocks nosedive on 'sell' rating

Share prices on Thursday took a nosedive as fund managers issued a "sell" rating on Philippine stocks, now considered among the most expensive in the world. The main index fell by as much as 129 points before recovering to close at 6,694.71 points, down 81.85 points, or 1.21 percent. (Philippine Daily Inquirer)

### P/\$ rate stands at P40.585/\$1

The peso exchange rate stands at P40.585 to the US dollar on Wednesday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.588. (Manila Bulletin)

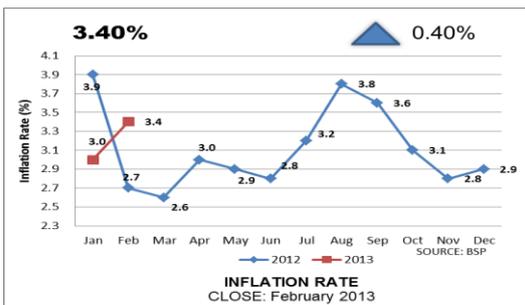
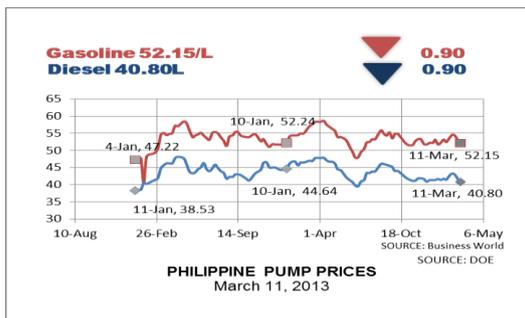
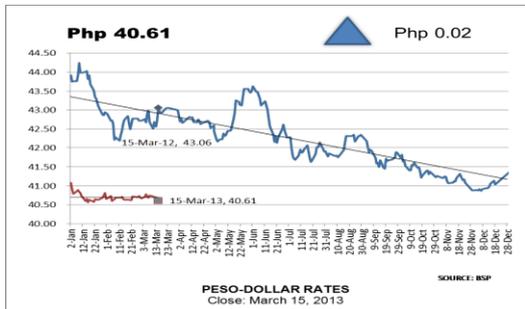
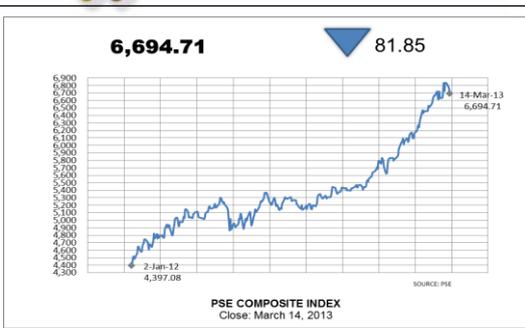
## INDUSTRY BUZZ

### Toyota restructures management, taps a former GM exec

Toyota has tapped a former executive at U.S. rival General Motors to be on its board, the first time in the Japanese automaker's 76-year history it is appointing board members from outside the company. The appointment of Mark Hogan, effective April 1, underlines efforts at Toyota Motor Corp. to grow more international, nimble, transparent and responsive to regional markets as it recovers from difficult years, including the massive recall fiasco in the U.S., to regain its position as the world's top automaker. Under the changes announced by President Akio Toyoda, Toyota set up a new division called "No. 1" to oversee North American, European and Japanese markets, and another "No. 2" for emerging markets. (Manila Bulletin)

### Feb. car sales in US grow amid rising prices at the pumps

Auto sales in the US—the second-biggest car market globally—grew 4 percent in February amid rising fuel prices, data showed. The growth also comes against a background of snowbound dealerships and uncertainty over the impact of looming government budget cuts on a fragile economy. The sales pace came in at an adjusted, annualized rate of 15.38 million vehicles, up from 15.29 million in January and 14.5 million in February 2012, according to Autodata. Carmakers said the results boded well for continued growth this year. "Despite rising gas prices, severe winter storms and concerns about the federal budget, February was a good indication of the overall strength of the market," said Toyota sales chief Bill Fay. (Manila Times)



	Thursday, 14 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	0.08%	0.05%	3.85%
Lending Rates	7.21%	7.16%	7.79%

