



# DASHBOARD

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## MACROECONOMIC SNAPSHOT

### Capital flow risks 'low'

Risks to the Philippine financial system are low despite the threat posed by volatile capital flows, the International Monetary Fund (IMF) said, giving the central bank room to avoid the use of capital controls. As developed countries take interest rates to near zero in an effort to spur their economies, capital is surging to emerging markets, IMF Asia-Pacific Director Anoop Singh said in an interview on Friday. This capital can turn up in short-term investments, leading to the risk of inflation, speculation and price bubbles. "Emerging Asia faces these same risks, including the Philippines. Our basic assessment, though, is that the risks here, so far, are low compared to those in other countries," Mr. Singh said, crediting the range of macroprudential measures rolled out by the Bangko Sentral ng Pilipinas (BSP) over the years. (BusinessWorld)

### Gov't settles debt worth P729.8-B

The government settled debts amounting to P729.8 billion in 2012—up by just one percent from the P722.8 billion it paid the previous year, according to the Bureau of the Treasury. The amounts spent in 2011 and 2012 to service debts were almost the same as amortization declined while growth in interest payments accelerated by a double-digit pace. Last year, the government settled a total of P417 billion in principal, including P330.4 billion in domestic debt and P86.6 billion in foreign loans. Total principal payment in 2012 was 6 percent lower than the P443.8 billion posted the previous year. (Philippine Daily Inquirer)

### Exporters keep 11% growth target

Philippine exporters are keeping export growth target at 11 percent this year until 2015 amid worries over the continued weakness in the performance of electronic shipments, an industry official said. Philippine Exporters Confederation Inc. president and Export Development Council private sector vice chairman Sergio Ortiz-Luis Jr. told reporters they have decided to stick to the 11 percent growth target starting this year until 2015 during a recent executive committee meeting. He said that while exports are expected to grow this year, concerns on the weak demand for electronic products remain. Non-electronic products meanwhile, are seen to drive the growth of the country's exports. (The Philippine Star)

## FINANCIAL TRENDS

### PSEi sinks below 6,600 mark

The bourse yesterday started the week in the red, closing lower for the sixth straight trading day as investors continued to take profits amid rekindled jitters over Europe and perceptions that local stocks are costly. The Philippine Stock Exchange index (PSEi) slid by 118.42 points or 1.78% to close at 6,536.18, while the broader all-share index shed 74.88 points or 1.80% to 4,094.62. (BusinessWorld)

### P/\$ rate closes at P 40.705/\$1

The peso exchange rate closed lower at P40.705 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.62 last Friday. The weighted average rate depreciated to P40.705 from P40.60. Total volume amounted to \$561.7 million. (Manila Bulletin)

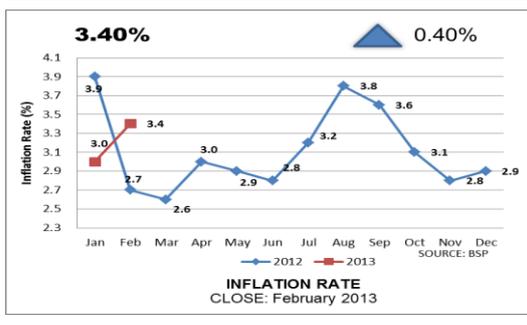
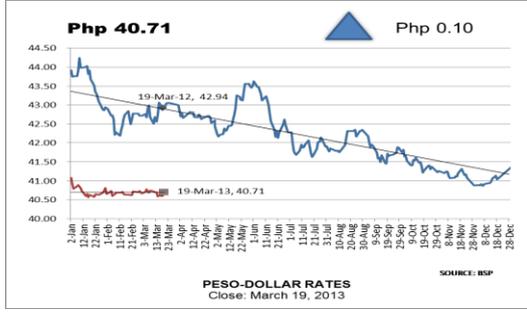
## INDUSTRY BUZZ

### Car, truck sales up 42% in Jan-Feb

Local car and truck assemblers saw sales go up by 42 percent as of end-February from a year ago due to the sustained strong demand for vehicles. In a statement yesterday, the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) said combined sales figures of the group and the Truck Manufacturers Association Inc. (TMA) reached 26,588 units in the first two months of the year, higher than the 18,718 units sold in the same period last year. Strong demand for passenger cars (PC) and commercial vehicles (CV) supported higher sales for the two-month period. PC sales reached 8,740 units as of end-February, a 69.6-percent growth from the same period last year. Sales of the CV segment jumped 31.6 percent to 17,848 units as of February compared to last year. (Philippine Star)

### Toyota stressing lean, safe growth

After four tumultuous years bookended by an unprecedented recall crisis and a return to the top of the global auto industry, Akio Toyoda is refashioning Toyota Motor Corp. into a leaner company that's more imbued with the venture spirit of founder Kiichiro Toyoda, his grandfather. Toyoda said in the interview that the company won't start building any new auto plants through 2015 to keep fixed costs down despite burgeoning sales and what he feels are good prospects for global auto growth. Plants already under way will still be completed. He said that reflects a decision to focus on growing leaner and making better use of what it already has to boost profitability, not just sales. (Malaya Business Insight)



	Friday, 15 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	7.19%	7.16%	7.79%

