



DASHBOARD

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MACROECONOMIC SNAPSHOT

Another upgrade eyed

The government expects favorable action from at least one more global debt watcher after Fitch Ratings gave the country its first investment-grade rating last week, state officials said over the weekend. "We are one of the most underrated countries by the credit rating agencies," said Finance Secretary Cesar V. Purisima in a text message when asked if the government sees a rating upgrade from another debt watcher. "The markets rate us at least two notches above investment grade," he reiterated, referring to how the country's bonds are priced by investors. Bangko Sentral ng Pilipinas Governor Amando M. Tetangco, Jr. said the country had already "established the case for investment grade." "I believe the other credit rating agencies can't be too far behind in their next moves," he said in a separate text message. (BusinessWorld)

BSP seen to slash SDA yield, keep key rates

The Bangko Sentral ng Pilipinas may reduce the interest rates on special deposit accounts (SDAs) by another 100 basis points this year to curb costs and stabilize the peso as inflation is expected to remain benign, economists from JP Morgan Chase and Bank of the Philippine Islands said. In separate research reports, economists from the two banks also said the BSP would likely keep the overnight borrowing rate steady at 3.5 percent for the rest of the year. (Philippine Daily Inquirer)

Gov't spends P111.73-B in Jan to pay debt

The government spent P111.73 billion in January to pay its debt, according to the Bureau of Treasury (BTr). The amount was 20.5 percent lower than the P134.71 billion paid in the same month last year as payments for amortization fell during the period. The government settled P56.89 billion in principal obligations in January including P55.22 billion in domestic debt and P1.67 billion in foreign loans. The total principal payment was 32.6 percent lower than the P84.43 billion recorded a year ago. (The Philippine Star)

FINANCIAL TRENDS

PH stock index tests 6,900 before succumbing to profit-taking

The local stocks index soared to new heights, breaching 6,900 on Monday but gave up hefty intra-day gains at close as profit-taking dominated the afternoon session. The Philippine Stock Exchange closed 7.88 points or 0.12 percent lower at 6,839.59. The index, however, rallied by as much as 1 percent in morning trade and hit a new record intra-day peak of 6,956.92. (Philippine Daily Inquirer)

P/\$ rate closes at P40.84/\$1

The peso exchange rate closed lower at P40.84 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P40.80 last Wednesday. The weighted average rate appreciated to P40.811 from P40.918. Total volume amounted to \$530.4 million. (Manila Bulletin)

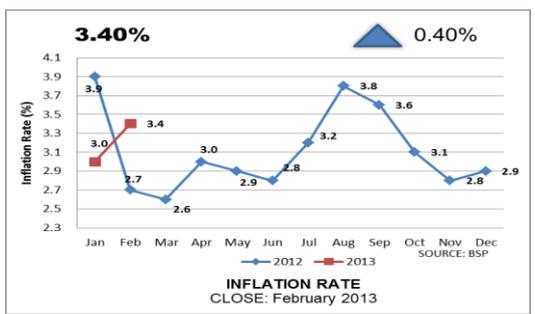
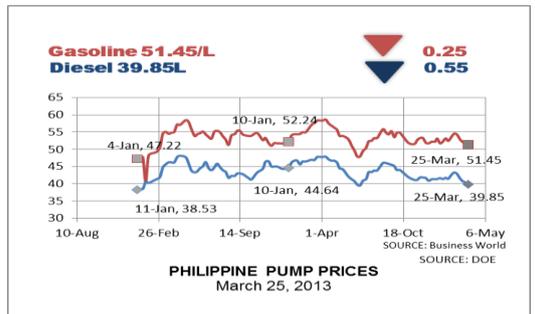
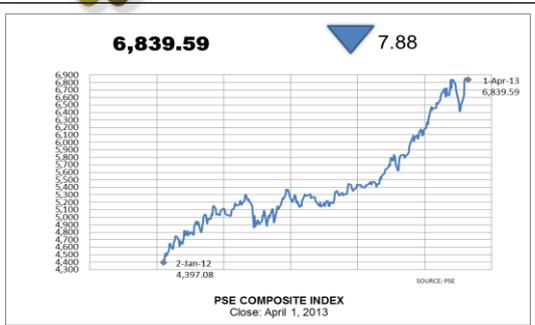
INDUSTRY BUZZ

Toyota Motor US chief optimistic on new sales

Toyota Motor Corp's top North American executive on Thursday voiced optimism about the U.S. economy, and said the aging cars and trucks in consumers' garages will continue to drive industry demand this year. Jim Lentz, newly appointed chief executive of North America, said the Japanese automaker sees U.S. industry new-car sales hitting 15.3 million this year, up from 14.5 million in 2012. Just six months ago, its 2013 forecast was for 14.7 million, but the company at the time believed talk of the fiscal cliff's impact would dampen the economy. "We're cautiously optimistic about a growing economy, but there's still a lot of uncertainty that can derail the consumer's attitude," Lentz said in an interview after the New York Auto Show. (BusinessWorld)

Audi continues growth in 2013

The Audi Group surpassed its targets for 2012. Despite the significant effects of the debt crisis in some countries and a contracting overall market in Europe, the company posted record figures for production, shipments, revenue, and earnings. In the past financial year, the brand with the four rings sold more than 1.45 million automobiles and increased its revenue to €48.8 billion. The Audi Group was also able to increase its operating profit to €5.4 billion—a record result in the company's history. In the full year, the operating return on sales of 11.0 percent was above the strategic target of eight to 10 percent. In 2013, the company intends to continue its growth and gain additional customers. (The Philippine Star)



	Wednesday, 27 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	6.87%	7.09%	7.79%

