



## MACROECONOMIC SNAPSHOT

### PH may soon get investment grade from other credit agencies

The Philippines is expected to secure an investment grade from three major rating agencies ahead of Indonesia, British multinational bank Barclays said. The Philippines recently bagged its first such rating from Fitch. In a research note dated April 3, Barclays said the Philippine government's debt situation continued to improve, driven by fiscal consolidation and strong real growth. It projected that the country would receive its second investment grade in the next six months. "We believe that the Philippines will be rated investment grade by all three major rating agencies before Indonesia, as political concerns and external vulnerability are likely to remain a key ratings constraint for the latter in the coming 18 months," Barclays said. (Philippine Daily Inquirer)

### Gov't debt payments reach P62

The government's debt payments reached P62.62 billion in February this year, higher by 7 percent compared with P60.44 billion in the same month last year, data from the Bureau of Treasury showed. During the month, the national government interest payments decreased by 13 percent to P17.92 billion from P20.57 billion in the same month a year ago. Of the total interest payments, the treasury data showed that the government paid P10.87 billion to settle some domestic maturing obligations, while the remaining balance of P7.05 billion was paid to foreign creditors. (Manila Bulletin)

### ADB warns of risks to developing Asia's rebound

Economic growth in developing Asia is picking up, underpinned by China's rebound and strength in countries such as Indonesia, the Asian Development Bank said in a report Tuesday, while warning that political disputes pose an increased threat to growth. The Manila-based lender's 2013 Asian Development Outlook said some big dangers to regional growth have faded, such as the possibility of the euro common currency breaking up or a "US fiscal shock" stemming from brinkmanship over the debt ceiling in the world's biggest economy. The ADB also warned that Asia needs to secure enough clean and cheap energy to support long-term growth. With developing Asia's share of global energy use forecast to grow from barely a third in 2010 to more than half by 2035, the region, which has plenty of coal but relatively little oil and natural gas, may be hard pressed to meet its demands. (The Philippine Star)

## FINANCIAL TRENDS

### Main index back above 6,800

The bourse resumed its climb yesterday as investors mainly tracked gains on Wall Street. The Philippine Stock Exchange index (PSEi) rose by 83.62 points or 1.24% to close at 6,815.84, returning above 6,800, while the broader all-share index gained 45.89 points or 1.09% to 4,251.37. (BusinessWorld)

### P/\$ rate closes at P41.07/\$1

The peso exchange rate closed higher at P41.07 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.27 last Monday. The weighted average rate appreciated to P41.105 from P41.261. Total volume amounted to \$1,147.97 billion. (Manila Bulletin)

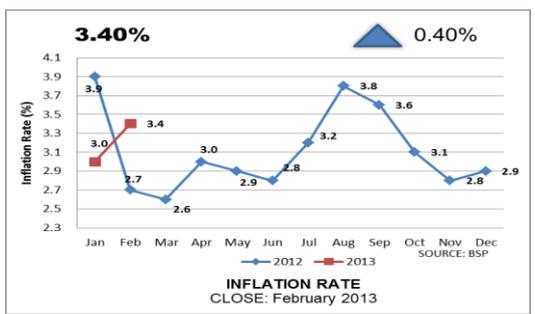
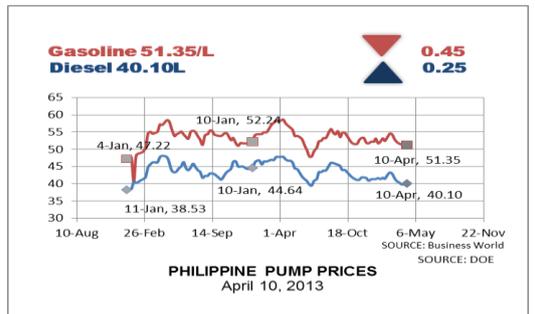
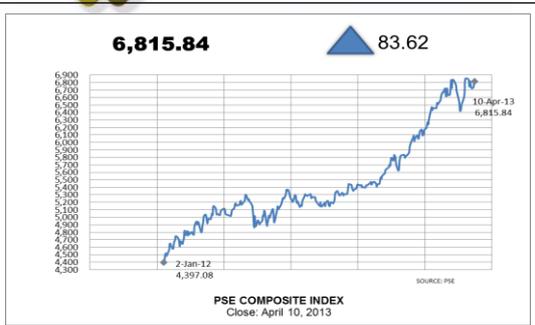
## INDUSTRY BUZZ

### Mazda expects higher sales

The local distributor of Mazda vehicles expects higher sales in the second quarter compared to the previous quarter with the addition of new models to its product line-up, an official said. "Second quarter (sales) should be better," Berjaya Auto Philippines Inc. chief executive officer Steven Tan told reporters at the sidelines of the Manila International Auto Show (MIAS) 2013 late last week. He said the firm sold about 350 units at the close of the first quarter. Tan said the new Mazda6 executive sedan launched at the MIAS is seen to help drive higher sales. (The Philippine Star)

### Luxury car segment gets bullish

The luxury car segment, which accounts for a mere one percent of total industry sales, is expected to grow at least 5 percent this year from a flat growth last year on account of the positive outlook of the domestic economy. Francis Jonathan Ang, financial controller of multi-luxury brand CATS Group, told reporters at the 9th Manila International Auto Show that 2013 offers great opportunities for the automotive sector, including the luxury car segment. "The luxury segment has been slow or flat but this year, we think, definitely we will grow. I think this year everybody will grow because the economy has been great," he said. Ang noted that the domestic market is growing quite well and could be expecting to grow higher than the five percent sales growth projection of the entire industry. (Manila Bulletin)



	Monday, 8 April 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	0.04%	0.08%	3.85%
Lending Rates	7.06%	6.97%	7.79%

