

MACROECONOMIC SNAPSHOT

Forecasts kept by IMF

The International Monetary Fund (IMF) has maintained its 2013 and 2014 growth projections for the Philippines, with Asia expected to again lead the global economy through another bumpy ride. The Philippines was forecast to grow by 6% this year and 5.5% next year, the IMF said in its latest World Economic Outlook (WEO). The projections were unchanged from January's WEO, when the IMF also concluded its Article IV consultation -- an annual review of economic and financial developments in a country. Gross domestic product (GDP) growth is thus likely to hit the government's 2013 goal of 6-7% but fall short of the 6.5-7.5% target for 2014. (BusinessWorld)

PH seen at early stage of investment boom

Investors wanting to profit from current market conditions would do well to allocate their assets to Asia, especially the dynamic economies of the Southeast Asian region. This is according to renowned equity strategist Christopher Wood of international stock brokerage firm CLSA, who singled out the Philippines as one of the most attractive investment stories today. "You have to be invested in Asia and in Asean, in particular," he told a gathering of the Asia Society in Makati City on Monday, referring to the 10-member Association of Southeast Asian Nations. "And within the Asean, you have to be invested in the Philippines." During the briefing, the CLSA strategist outlined the country's strengths, with each indicating that the Philippines was in the "early stages" of the credit cycle and would consequently continue to have a large upside in the investment cycle. (Philippine Daily Inquirer)

Chinese businessmen show interest in PH

Chinese businesses have expressed interest in investing in the mining energy, agriculture, services, tourism and education sectors in the Philippines because of rising manufacturing cost, according to the Philippine Chamber of Commerce and Industry (PCCI). In an interview on the sidelines of the 1st Philippines-China Trade and Investment Council Meeting held in Makati City Tuesday, PCCI president Miguel Varela said that China's rapid growth and emerging status as an economic superpower is pushing its strategic business sectors to forge relationships that would provide them a steady supply of raw materials that are not available or are expensive in China. (The Philippine Star)

FINANCIAL TRENDS

Stocks resume climb

The bourse yesterday recovered from two days of losses, fueled by good local corporate results that have begun to trickle in and by Wall Street's own rebound on robust housing data. The Philippine Stock Exchange index (PSEi) gained 63.93 points or 0.94% to close at 6,850.26 -- bouncing back into 6,800 territory -- while the broad-based all-share index added 44.13 points or 1.04% to 4,299.04. (BusinessWorld)

P/\$ rate closes at P 41.25/\$1

The peso exchange rate closed higher at P41.25 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEX) from P41.38 the previous day. The weighted average rate appreciated to P41.272 from P41.377. Total volume amounted to \$859.3 million. (Manila Bulletin)

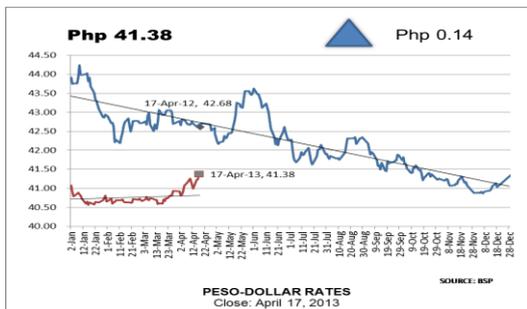
INDUSTRY BUZZ

Chevrolet PH opens biggest Metro 'casa'

Chevrolet Philippines has created a new highlight in its three and a half record-setting years of operation by opening its 21st dealership, which is the biggest in Metro Manila. Spread over 2,374 square meters, Chevy Commonwealth, which officially opened last April 12, can display 10 models in its showroom as well as accommodate 12 vehicles in its service bay area. The new dealership is located along Commonwealth Avenue in Don Enrique Heights, Quezon City (across Ever Gotesco Commonwealth). (Philippine Daily Inquirer)

Ford sees profit in China after expansion push

"We're about at break-even and we're also at the height of our investment," said Alan Mulally, chief executive of Ford, of the company's profit margins in China. The rising role of China is the central aspect of what is a transcendental moment in the company's history, Mulally and Chief Operating Officer Mark Fields said in an interview last week at Ford headquarters outside Detroit. Ford lost \$77 million last year in Asia, but turned a profit in the fourth quarter. Ford does not break out financial results for China only. Mulally said the progress Ford has made in China was on the back of a limited lineup, but that is about to change, which has him encouraged about continuing to turn profits in China and Asia. (BusinessWorld)



| | Tuesday, 16 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 | 6.87% | 7.05% | 7.79% |

