

MACROECONOMIC SNAPSHOT

PH inflation seen to accelerate to 4.1% this year

The country's inflation is expected to accelerate this year due to rising demand for goods and services, and potential disruptions in the supply of some food products. According to the United Nations Economic and Social Survey of Asia and the Pacific (Unescap), average inflation this year may settle at 4.1 percent—up by a full percentage point from last year's 3.1 percent. But Unescap noted that the latest projection is still within levels considered manageable. Its forecast is also within the Bangko Sentral ng Pilipinas' official target range of 3 to 5 percent. Yusuke Tateno, economic affairs officer of Unescap, said the projected rise in inflation would result from demand pressures brought on by rising incomes in the country, as well as potential weather disturbances that could adversely affect the supply of some agriculture items. (Philippine Daily Inquirer)

BOP surplus hits \$1.535B in 1st quarter

The country's balance of payments (BOP) posted a bigger surplus in the first quarter on the back of strong current account inflows, which include remittance and export receipts. BOP – the summary of all inflows and outflows in an economy – reversed back to a surplus of \$452 million in March, after a February slump, bringing the tally for the first three months to \$1.535 billion, data from the Bangko Sentral ng Pilipinas (BSP) showed. The quarterly result was wider than the previous year's \$1.243 billion and accounts for more than half of the BSP's forecast for the year of \$3-billion surplus. The outlook will be reviewed for possible revision this month. (The Philippine Star)

NG debt stock climbs to P5.325 trillion

The national government's outstanding debt grew by 8.4% year-on-year as of end-February as it borrowed more from domestic lenders, Bureau of the Treasury (BTr) data showed. As of the second month of the year, the government's debt stock stood at P5.325 trillion against the P4.913 trillion recorded as of February 2012. Month-on-month, however, the end-February level was lower by 0.2% than the P5.334 trillion incurred as of January 2013. "Of the total debt, P1.877 trillion or 35% was owed to external creditors and P3.448 trillion, or 65%, to domestic creditors," the BTr said in a statement on Thursday. (BusinessWorld)

FINANCIAL TRENDS

PSEi seen poised to top 7,000

The bourse could pierce the 7,000 barrier this week on optimism fueled by continued release of generally good corporate earnings for the first quarter and in anticipation of the Monetary Board's (MB) policy action this Thursday. The Philippine Stock Exchange index (PSEi) closed at 6,957.10 last Friday -- its 26th peak this year -- just 0.95% up from the previous record high of 6,891.43 on April 12, while the broader all-share index added 1.15% to 4,348.67 from 4,299.20. (BusinessWorld)

P/\$ rate stands at P42.605/\$1

The peso exchange rate stands at P42.605 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P42.679. (Manila Bulletin)

INDUSTRY BUZZ

GM global Q1 sales jump

General Motors Co said last week its first-quarter global sales rose 3.6 percent to nearly 2.4 million vehicles, as a strong showing in its two largest markets, the United States and China, offset cooling demand in Europe. The largest U.S. automaker's internal calculations showed that it outperformed the overall auto industry during the period, when global auto sales rose 1.5 percent. GM posted an 8.2 percent sales jump in North America. GM's international unit, which includes China, saw a 7 percent increase. Together, these two business units accounted for about 75 percent of GM's global sales during the first quarter. (BusinessWorld)

Automakers target Chinese buyers at Shanghai show

Global and Chinese automakers showcased family-friendly sedans and SUVs targeting China's coveted urban buyers Saturday ahead of its biggest auto show as competition intensifies in this huge but crowded market. The Shanghai auto show, held in alternate years, has grown into one of the global industry's most prominent events, especially after China passed the United States in 2009 as the biggest auto market by number of vehicles sold. Organizers say exhibitors at this year's show, which opened to the public Sunday, will display more than 800 vehicles, from mass-market compacts to minivans to hand-built sports cars with price tags of more than \$1 million. (Philippine Daily Inquirer)

	Thursday, 18 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	6.88%	7.05%	7.79%