



MACROECONOMIC SNAPSHOT

Phil seen to benefit from slump in global commodity prices

Japanese investment bank Nomura said the Philippines would likely benefit from the recent fall in global commodity prices through cheaper imports. "After a lengthy period of stability, global commodity prices have started to fall," Nomura said in a special report for Asia. "Given that the weighting of food and energy in the CPI basket is 50.8 percent, persistently weak global commodity prices would exert significant disinflationary pressures," it added. Philippine inflation rate dipped to 3.2 percent in March from 3.4 percent in February. This brought the year-to-date average to 3.2 percent, falling at the low-end of the Bangko Sentral ng Pilipinas' three to five-percent target for the year. Nomura has revised its inflation forecast for the Philippines to 3.2 percent from 4.6 percent. (The Philippine Star)

External debt service declines 2%

The rate of the three-year Treasury bonds plunged at the auction yesterday on the back of renewed investor interest in securities in the belly of the yield curve, and in anticipation that the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) will cut interest rates of special deposit accounts (SDA) anew. The three-year bonds fetched 1.625% coupon rate yesterday, 362.5 basis points (bps) lower than the 5.25% coupon rate they got at the Jan. 5, 2010 auction. Tenders for the debt papers, meanwhile, reached P76.454 billion, more than twice the government's P30-billion offer. The government sold as planned. (BusinessWorld)

Business activity declines again across euro zone

Private-sector activity in the euro zone declined again in April, a development likely to add to calls for a shift away from austerity and toward policies that stimulate growth. According to a survey of purchasing managers, business activity in Germany fell for the first time since November. Similar surveys recorded slowdowns in the growth of Chinese and U.S. manufacturing activity, leading to concerns that the global economy may be faltering. Markit Economics said on Tuesday that its composite purchasing managers' index for the euro zone—a measure of activity in the services and manufacturing sectors—was unchanged at 46.5. A reading below 50 indicates a contraction. There were few indications that the long decline in activity is coming to an end, and some signs it may worsen. (Wall Street Journal)

FINANCIAL TRENDS

Bourse cedes more ground

The main index fell for the second straight day further below the 7,000 barrier on Wednesday, weighed by sustained profit taking in the wake of its record-high closing last Monday. The Philippine Stock Exchange index (PSEi) fell by 9.67 points to close at 6,972.69, while the broader all-share index declined by 13.61 points to 4,351.17. (BusinessWorld)

Peso gains on news of more home sales

The peso inched up on Wednesday as reports of an increase in sales of residential properties and corporate earnings in the United States boosted sentiment of investors on the global economy. The local currency closed at 41.285 against the US dollar, up by 4.5 centavos from the previous day's finish of 41.33:\$1. (Philippine Daily Inquirer)

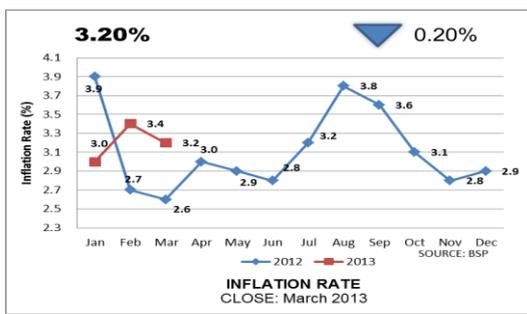
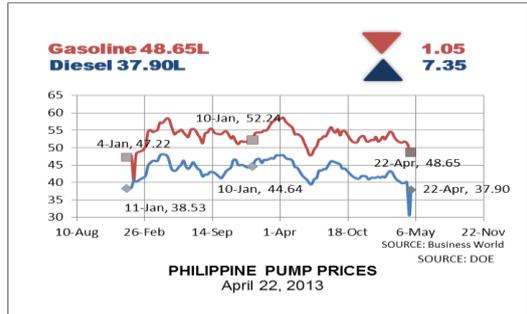
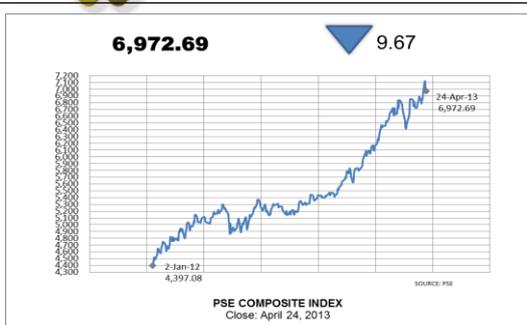
INDUSTRY BUZZ

Subaru strong growth in Q1 of 2013

Motor Image Pilipinas Inc., (MIPI) the exclusive distributor of Subaru cars in the Philippines registered a record-breaking growth of 94% in total sales for the 1st quarter of 2013. Selling of 577 units compare with 297 units for the same period of last year. Subaru sales in March reached an all-time high with 236 units, breaking the previous record of 188 units established a year ago. The sales were propelled by the growth of major models like the well-accepted Subaru XV in the popular small SUV segment. And also the sales rose with high demand for the Forester models driven by the just-launched all-new Forester. (The Philippine Star)

Jaguar sees strong China sales

Auto maker Jaguar Land Rover expects China will become its No. 1 sales region this year as it benefits from an expanded dealer network and broader product range, a senior executive said. The unit of India's Tata Motors Ltd. sold 77,000 cars in China last year, slightly behind the 81,000 vehicles it sold in Europe excluding the U.K., its largest sales territory. This year it expects its China sales to increase between 20% and 30% over 2012's sales, while growth in Europe is expected to increase only by a single-digit percentage rate. (Wall Street Journal)



	Tuesday, 23 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	6.85%	6.90%	7.79%

