



DASHBOARD

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MACROECONOMIC SNAPSHOT

S&P awards PHL investment grade

New York-based credit watcher Standard & Poor's (S&P) gave the Philippines on Thursday the status of an investment-grade borrower, the second such recognition of the country's heightening creditworthiness just five weeks after Fitch Ratings first announced Manila's elevation to investment-grade territory. The S&P upgrade was expected but it nevertheless still thrilled economic managers who viewed it as another affirmation of the strong gains made in the financial and fiscal sectors. Bangko Sentral ng Pilipinas (BSP) Governor Amando M. Tetangco Jr. said the latest upgrade "undoubtedly cements the Philippines's status as an economy with one of the brightest prospects globally." S&P based its upgrade to triple B minus ("BBB-") economy from double B plus ("BB+") on "a strengthening external profile, moderating inflation and the government's declining reliance on foreign-currency debt." (Business Mirror)

Budget deficit lower than expected

The government incurred a budget deficit of P66.5 billion in the first quarter, almost double the amount registered in the same period last year, but 10 percent, or P7.4 billion, lower than planned. According to data the Bureau of the Treasury released Thursday, deficit spending fell short of the goal as the government missed both its tax collection and spending targets set for the period. From January to March, expenditures reached P430.8 billion. It was P21.9 billion, or 5 percent, less than the planned P452.7 billion. However, spending was 9 percent higher than that of the same quarter in 2012. (Philippine Daily Inquirer)

Foreign trade figures improve in 2012

The country's final foreign trade statistics for 2012 slightly improved from the results released earlier after late entries were included in the overall tally, the National Statistics Office (NSO) said yesterday. Final exports figure totalled \$52.100 billion from January to December 2012, \$104 million higher than previously recorded. The country's final imports tally stood at \$62.129 billion, \$414 million more than the preliminary outcome. The resulting balance of trade in goods (BOT-G) amounted to a deficit of \$10.029 billion in 2012 from the preliminary deficit statistics of \$9.719 billion. (BusinessWorld)

FINANCIAL TRENDS

Optimism expected to linger

Trading this week is expected to reflect lingering optimism from the second investment grade rating the country bagged late last week, analysts said over the weekend. The Philippine Stock Exchange index (PSEi) gained 2.70% to 7,215.35 last Friday from 7,025.44 last April 26, while the broader all-share index added 2.41% to 4,490.00 from 4,384.48. (BusinessWorld)

P/\$ rate stands at P 41.90/\$1

The peso exchange rate stands at P40.91 to the US dollar last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P40.943. (Manila Bulletin)

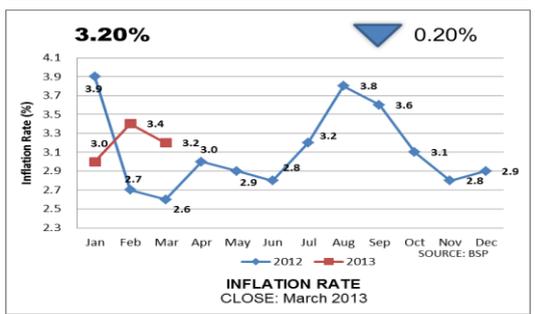
INDUSTRY BUZZ

US auto sales growth slows in April

U.S. April auto sales slowed to their lowest monthly pace since last autumn as foreign automakers reported lackluster results, and sales to commercial customers slid. For the first time since last October, U.S. monthly auto sales dipped below 15 million vehicles on a seasonally adjusted annualized rate. Research firm Autodata Corp reported industrywide U.S. sales came in at a rate of 14.92 million vehicles in April. "Sales are coming in a little bit below expectations, but still quite strong," said Alec Gutierrez, analyst with Kelley Blue Book. "As we've seen all year and the last couple of years, it looks as though the auto industry remains one of the few bright spots in the broader economy ... in addition to housing." (BusinessWorld)

Toyota, Microsoft beef up Gazoo.com net service

Toyota is teaming up with Microsoft for an Internet service that links cars, home computers and smartphones so users can find nearby tourist spots, connect on social networks and learn about new models. The beefed up version of Toyota's Internet site Gazoo.com starts May 30 in Japan, and will be based on "cloud" computing from Microsoft Corp. called Windows Azure. Overseas plans are still undecided. According to the U.S. software giant, it is the first time the technology, which also uses Sharepoint software, is being used for a company site. (Business Mirror)



	Thursday, 2 May 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	6.94%	6.95%	7.79%

