

DASHBOARD

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MACROECONOMIC SNAPSHOT

Aquino confident economy will continue or even surpass high growth rate in Q2

Buoyed by the robust 7.8-percent growth in the first quarter, President Benigno Aquino III on Monday expressed confidence that the economy would grow at the same rate or even faster in the second quarter. The President declined to say whether he expected an upgrade from the Moody's Investors Service, but predicted rosy prospects for the domestic economy in the second quarter. (Philippine Daily Inquirer)

PH seen getting another upgrade

Debt watcher Moody's Investor Service, the only rating firm that still considers the Philippines as junk, has hinted at a possible upgrade for the country following the country's better-than-expected first quarter economic growth. Moody noted the government's improved tax collection effort and the recent mid-term elections, where the Aquino administration won a rare majority in both houses of Congress, as "credit positive" developments. "GDP growth in the Philippines is on an upward trend, in contrast to lackluster global growth performance," Moody's said. Moody's currently rates the Philippines at one notch below investment grade. The firms' peers, Fitch Ratings and Standard & Poor's, upgraded the country to investment grade earlier this year. (Philippine Daily Inquirer)

Firms remit P28B to State

Nearly P28 billion in dividends from state-run companies were turned over to the government yesterday, higher than last year's remittance as a result of better corporate governance. A fifth of the total of government-owned and-controlled corporations (GOCC) -- 38 out of 158 -- remitted P27.898 billion, an improvement from the P19 billion year-on-year, to President Benigno S. C. Aquino III in ceremonies marking the GOCC Governance Day in Malacañang. (BusinessWorld)

FINANCIAL TRENDS

T-bill yields rise; 6-month, 1-year rates touch 1%

Treasury bill rates jumped across all tenors Monday, with the yields for the six-month and one-year debt paper hitting at least 1 percent for the first time since falling to record lows earlier this year. (Philippine Daily Inquirer)

Stocks continue to plummet

Philippine stocks plummeted Monday, mirroring the declines in the region, as investor concerns grew that improving economic prospects in the United States might encourage the Federal Reserve to turn to tightening measures. In contrast, the peso strengthened by half a percent to P42.055 against the dollar. (Philippine Daily Inquirer)

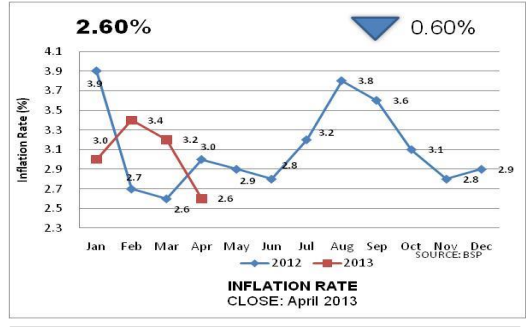
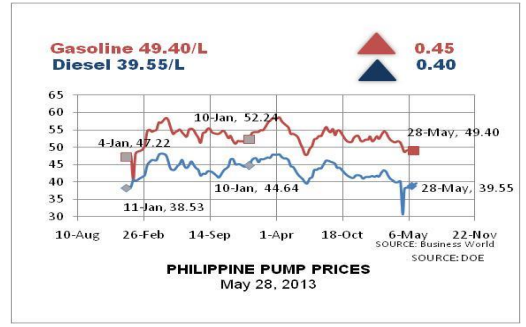
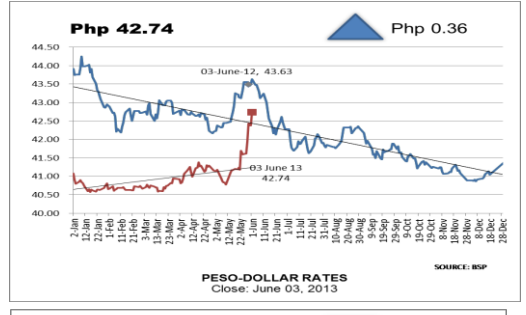
Asia stock markets fall on US uncertainty

Uncertainty about the U.S. Federal Reserve's next course of action and a sharp, sudden plunge on Wall Street sent Asian stock markets lower Monday. The Federal Reserve is spending \$85 billion a month on buying bonds to push down interest rates in hopes of spurring borrowing and spending. That has propelled investors into stock markets in search of higher returns. Encouraging reports on housing and hiring, along with a soaring stock market, have led many to suspect that the Fed could cut back on its bond buying in the coming months. Some believe the stock market could plunge without the Fed's support. (Philippine Star)

INDUSTRY BUZZ

Toyota chief calls for more localization

Toyota Motor Philippines Corp. (TMP) wants more localization with respect to automotive parts, saying this will make the domestic industry more competitive. "Localization, combined with simple production lines, better labor relations and improved risk management, will enable the Philippines to catch up with and ensure competitiveness," TMP President Michinobu Sugata said in a statement. Localization, which will also reduce logistics costs, will become increasingly more imported as motorization rises in the Philippines, Mr. Sugata noted, adding that local suppliers should capitalize on the resulting increase in the industry's volume requirements. (Business World)



	Tuesday, 04 June 2013	Last Week	Last Month
Overnight Lending, RP	5.50%	5.50%	5.50%
Overnight Borrowing, RRP	3.50%	3.50%	3.50%
91 day T Bill Rates	0.04%	0.04%	0.08%
Interbank Call Loan Rate	2.31%	2.13%	2.06%

