

DASHBOARD

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MACROECONOMIC SNAPSHOT

Foreign investors seen to come in

Governor Amando Tetangco Jr. of the Bangko Sentral ng Pilipinas (BSP) said factors such as low-yields and slow growth in advanced economies were reversing. However, he noted that countries exhibiting stable growth like the Philippines remained attractive destinations for investors. He noted that that the Philippines had Asia's fastest-growing economy in the first quarter of the year and that inflation remained low. Low inflation means better returns for investments denominated in peso since yields are not offset by the price increases. Tetangco said the country also continued to enjoy robust foreign exchange income in the form of remittances from overseas Filipino workers (OFWs) and from the business process outsourcing (BPO) sector and the tourism industry. (Philippine Daily Inquirer)

IMF sees slower growth in emerging markets

The International Monetary Fund (IMF) expects a slower growth in emerging market economies, trimming the region's forecasts with the expected credit constraints coming from the tapering of stimulus abroad. According to its latest World Economic Update, IMF expects emerging economies to grow five percent this year and 5.4 percent next year. Forecasts were slower than the 5.3 percent and 5.7 percent seen last April. Of these nations, the so-called Asean-5 – Indonesia, Malaysia, the Philippines, Singapore and Thailand – could expand 5.6 percent in 2013 and 5.7 percent in 2014. These are slower than April's 5.9 percent for both years. (Philippine Star)

Gov't expects higher P5.28-B budget gap

The government expects to incur a higher budget gap of P5.28 billion this year with the restructuring of the accounts and liabilities of the old Central Bank. Data from the Bureau of Treasury showed that the expected budget gap is 55.29 percent more than the projected P3.4 billion in 2012. The Central Bank - Board of Liquidators' debt to the government reached P416.56 billion at the end of 2012. Of this amount, advances made by the national government in servicing the matured retained foreign obligations of CB-BOL accounted for P252.82 billion. CB-BOL is the administrator and liquidator of the assets and liabilities of the old central bank, now called Bangko Sentral ng Pilipinas (BSP). Under the new Central Bank Act, the CB-BOL has 25 years or until 2018 to dispose of and liquidate all assets of the old central bank. Upon disposition of said assets, the CB-BOL shall be deemed abolished. Based on its latest financial statements, CB-BOL had assets of P1.59 billion as of end-December 2012, down eight percent from the previous year's P1.73 billion. (Philippine Star)

FINANCIAL TRENDS

Index manages to rise in lackluster trading

Share prices ended a tad higher in a lackluster trading yesterday that was again scarce of strong buying leads. The Philippine Stock Exchange index inched up 0.13 percent or 8.11 points to 6,327.02, while the broader all shares index barely rose 0.04 percent or 1.65 points to 3,876.21. Trading started strong, with intraday high hitting 6,376.74 but profit taking erased gains at the middle of the day, pushing the bellwether index to record its intraday low at 6,285.18. (Philippine Star)

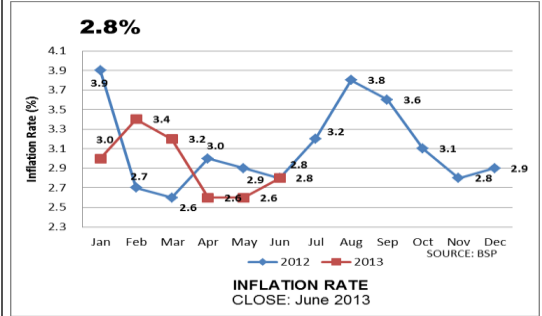
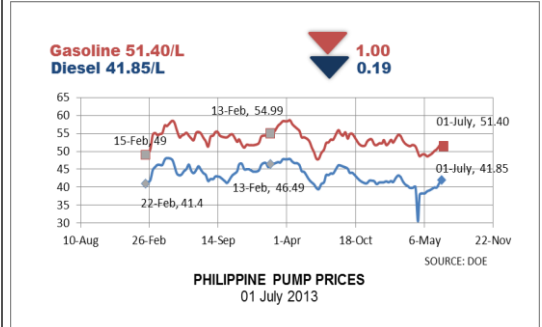
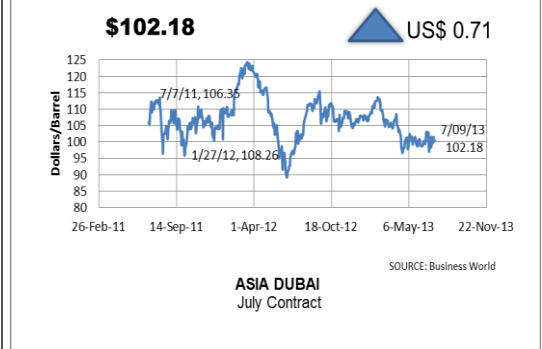
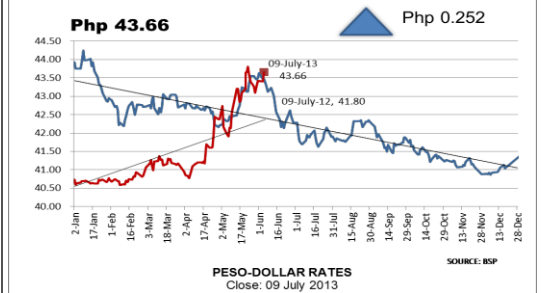
US stocks rise for 4th straight day

US stocks Tuesday closed solidly higher for the fourth straight day as investors ignored the International Monetary Fund's lowered growth forecasts for the US and global economies. The Dow Jones Industrial Average increased 75.65 (0.50 percent) to 15,300.34. The broad-based S&P 500 added 11.86 (0.72 percent) to 1,652.32, while the tech-rich Nasdaq Composite Index rose 19.43 (0.56 percent) to 3,504.26. (Philippine Daily Inquirer)

INDUSTRY BUZZ

Datsun debuts in New Delhi

The Datsun brand returns to emerging market. Nissan Motor Co. released sketches of the first car in the newly revived Datsun lineup, which goes on sale in 2014. The car is scheduled to be unveiled in New Delhi on July 15. Datsun vehicles initially will be sold in India, Indonesia, Russia and South Africa, with the cars tweaked for and built in each of those markets. Although some observers expected Datsuns to be priced as entry-level alternatives to Nissans, the automaker says Datsun won't be a bargain-basement brand. Instead, Vincent Chobee, head of Datsun, says the cars will be "specifically developed for the emerging and ambitious new middle class in high-growth markets." Nissan stopped selling Datsuns in the US in 1984. (Automotive News)



	Wednesday, 10 July 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	0.19%	0.22%	0.22%
Interbank Call Loan Rate	2.13%	2.06%	2.75%

