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DASHBOARD

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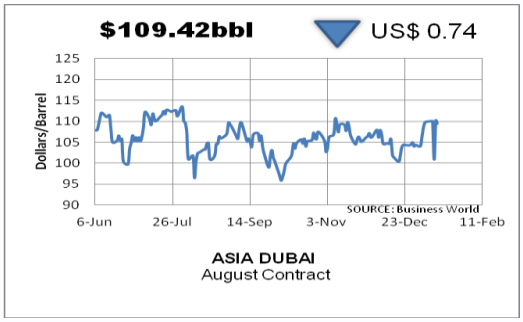

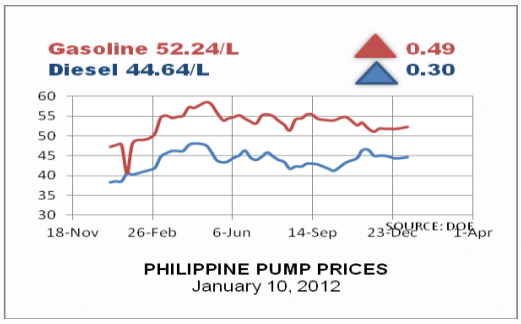

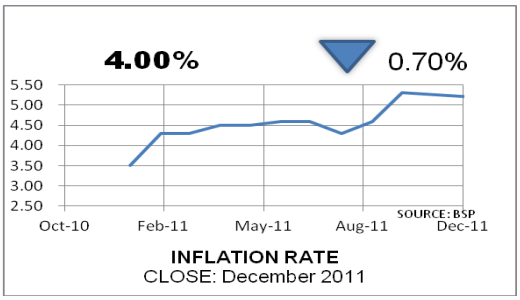

	Monday, January 16 2012	Year ago
Overnight Lending, RP	6.50%	6.00%
Overnight Borrowing, RRP	4.50%	4.00%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.7195%	7.79%

MACROECONOMIC SNAPSHOT

Exporters wary on growth

Exporters are cautious with regard to a reported need to grow by 20% this year, with officials from three industries offering marginally upbeat expectations given continued global uncertainties. The sentiments came as latest data showed export earnings down an annual 5.6% to $44.636 billion as of November last year. The electronics sector, which accounts for about half of gross export revenues, has yet to issue its 2012 outlook. Food and furniture makers, on the other hand, only see a 10% uptick. “Projections for electronics is still work under progress. Is the [20% growth goal] doable? I don’t know,” said Ernesto B. Santiago, Semiconductor and Electronics Industries in the Philippines, Inc. president, in a text message. “First quarter will be slow in 2012 and we will pick up our performance by the second quarter. The third and fourth quarters are projected to be better,” Mr. Santiago continued. (BusinessWorld)

Heavy inflow of foreign investments seen

The Philippines is expected to see a heavier influx of foreign direct investments this year as its robust consumer market offers a fertile ground for cross-border merger and acquisition (M&A) deals, an investment banking expert from Citibank said. Kristine Braden, head of Citibank Philippines’ global banking unit, said many offshore investors were increasingly interested in plowing funds into the domestic economy, particularly in the financial and consumer sectors. Such investments could be executed this 2012 on top of portfolio investments likely flowing to a good pipeline of bond and equity offerings by local corporations, she added. (Philippine Daily Inquirer)

U.S. consumers perk up in Jan, Nov trade gap widens

U.S. consumer sentiment hit an eight-month high in early January as Americans grew more optimistic about job prospects, a survey released on Friday showed. Separate data released earlier showed the U.S. trade deficit widened in November to its largest in five months, prompting some economists to slightly rein in growth expectations for the fourth quarter. The Thomson Reuters/University of Michigan preliminary January reading on its overall index of consumer sentiment rose to 74.0 from 69.9 in December for the fifth month of gains and the highest level since May 2011. The report topped expectations of 71.5 and was in contrast to December's weaker-than-expected retail sales reported on Thursday. (The Philippine Star)

FINANCIAL TRENDS

Share prices closed lower

Profit-taking during yesterday’s trade caused most share prices to decline as credit rating downgrades in Europe dampened regional sentiment. The main share Philippine Stock Exchange index shed 34.91 points or 0.76 percent to finish at 4,578.92 on thin trade, pulling back for the second straight session after charting new peaks last week. (Philippine Daily Inquirer)

Currencies sink in risky assets sell-off

Most emerging Asian currencies fell yesterday, as hedge funds reduced their exposure to riskier assets after mass euro zone sovereign rating cuts by Standard & Poor’s. Still, traders reported some investors. The Philippine peso shed 13 centavos to close at P43.88 per dollar yesterday against its P43.75 per-dollar close last Friday. A trader remarked that risk aversion forced the peso to lose as much as 20 centavos when trading started yesterday. (BuisnessWorld)

INDUSTRY BUZZ

More than 2 million Mercedes Benz SUVs sold worldwide

Mercedes-Benz’s SUV models are celebrating another milestone. Since the launch of Mercedes-Benz’s first sports utility vehicle – the G-Class – over 30 years ago, more than two million G-Class, M-Class, R-Class, GL-Class and GLK-Class models have been delivered to customers. Dr. Joachim Schmidt, Executive Vice President Sales and Marketing Mercedes-Benz Cars: “Our entire SUV family is extremely popular among our customers, particularly in the USA and in its second-largest market China. (The Wall Street Journal)

China’s car surplus should worry global automakers

Demand in the world’s largest auto market has shifted to a lower gear. China’s vehicle sales grew just 5% by volume in 2011, the slowest pace in a decade. Meanwhile, foreign automakers face two problems: not only are they less welcome in China, but they may soon have to deal with domestic rivals trying to export their surplus. The market has jogged along briskly until now. The number of cars sold doubled from 2008 to 2010, thanks to government tax incentives and subsidies to help out manufacturers. The result is chronic congestion in the Chinese capital which has 20 million people and four million cars. As complaints about pollution mount, local governments have started to curb demand instead. (BusinessWorld)