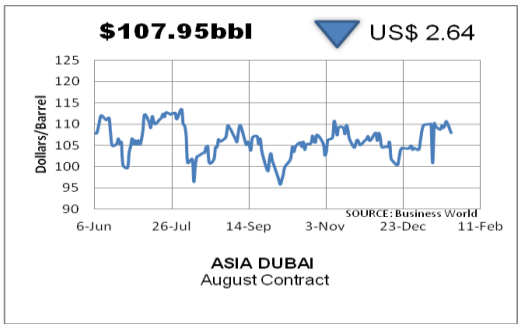
AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

DASHBOARD

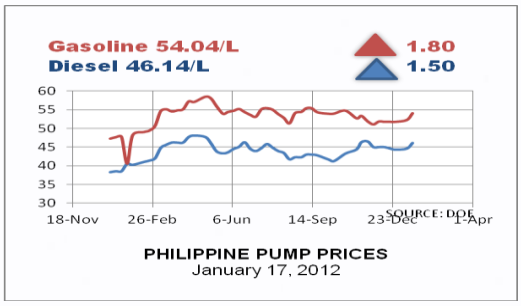
Changing News. Your Guide. AVID Daily E- News January 25, 2012 Volume 2 No 92

PSE COMPOSITE INDEX
Close: January 24, 2012

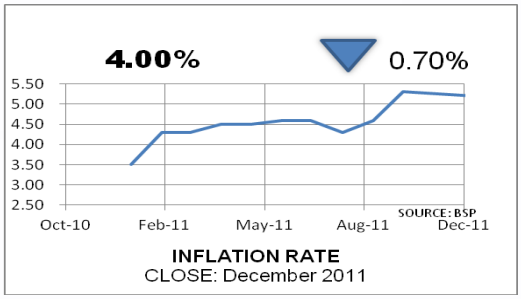
PESO-DOLLAR RATES
Close: January 24, 2012



ASIA DUBAI
August Contract



PHILIPPINE PUMP PRICES
January 17, 2012



INFLATION RATE
CLOSE: December 2011

	Tuesday, January 24 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	7.7099%	7.79%

MACROECONOMIC SNAPSHOT

Gov't keeps GDP growth target

The government will likely keep the 5-6 percent gross domestic product growth target for this year when they finalize the macroeconomic growth assumptions for 2012 during the Cabinet-level meeting of the inter-agency Development Budget Coordinating Committee later this week, Finance Secretary Cesar V. Purisima said.The government's full-year GDP growth forecast was lower in 2011 at 4.5 to 5.5 percent, this was more optimistic than private forecasters' projection of 3-4 percent. As of the end of the third quarter last year, GDP expanded by 3.2 percent from 7.3 percent the same period in 2010. This meant the GDP for the first three quarters grew only by 3.6 percent. The government's stimulus funding worth P72 billion and infrastructure spending is what will ensure GDP growth will reach 5-6 percent, said Purisima. (Manila Bulletin)

Inflation forecast bolsters confidence against economic storms

Malacañang said on Monday that the inflation forecast for the country—that it would be "well-contained" through 2013—further bolsters its confidence that the country would be able to weather coming storms that may test the economy's resilience. "Our concern should always be high inflation would mean higher prices and all those consequent factors. What the economic managers have so far done is to contain it. In fact, Bangko Sentral has agreed that the inflation rate would be kept and it would be contained," Presidential Spokesman Edwin Lacierda said in a news briefing. Secretary Ramon Carandang of the Presidential Communications Development and Strategic Planning Office that the BSP forecast—seen averaging at 3.1 percent this year, and to 3.4 percent in 2013—provides "price stability." (BusinessMirror)

IMF cuts growth forecast for Asean 5

The International Monetary Fund has cut its economic growth forecast for the Association of Southeast Asian Nations due to the escalating debt crisis in the euro zone. In its latest World Economic Outlook, the IMF said the sub-regional grouping ASEAN 5—comprising the Philippines, Indonesia, Malaysia, Thailand and Vietnam—would post an average growth of 5.2 percent this year, lower than the original projection of 5.6 percent. It also lowered its 2013 growth projection for the region to 5.6 percent from the original 5.8 percent. "The global recovery is threatened by intensifying strains in the euro area and fragilities elsewhere. Financial conditions have deteriorated, growth prospects have dimmed, and downside risks have escalated," the IMF said. (The Philippine Star)

FINANCIAL TRENDS

PhI shares tumble on euro debt woes, lack of leads

Local share prices tumbled yesterday, hounded by euro debt woes and by a lack of local leads to buoy the market. The main Philippine Stock Exchange Index declined by 33.55 points or 0.70 percent to close at 4,714.35. More than six billion shares valued at P17.23 billion changed hands. (The Philippine Star)

Peso firms up further versus the US dollar

The peso continued to gain against the dollar yesterday on market players' appetite for risky assets despite Greece's and its private creditors' failure to agree on debt exchange. The local currency gained 12.5 centavos to close at P43.15 per dollar against its P43.275-per-dollar close last Friday. It was last seen this strong on Nov. 8 when it closed at P43.145 per dollar. The peso gained 47.50 centavos to settle at P43.275 last Friday versus a week earlier. (BusinessWorld)

INDUSTRY BUZZ

Local Toyota increasing vehicle prices

Toyota Motor Philippines Corp. is expected to raise prices of its vehicles this year to recoup foreign exchange losses on back of the strong appreciation of the Japanese yen against the US dollar. TMPC President Michinobu Sugata cited the strong yen, which is now at 76 level against the US dollar when they were expecting the yen to be at 85 level against the US dollar. The company imports some completely built-up models from Japan for local distribution, including Prius and Lexus. This developed as the country's biggest car brand plans to launch product models almost every month this year to achieve its target of 60,000 unit sales from 54,700 units last year. The company also forecasts between 175,000 to 177,000 unit industry sales from 165,000 units last year. (Manila Bulletin)

GM regains crown as world's top-selling automaker

General Motors Co regained its title as the world's top-selling automaker from Japanese rival Toyota Motor Corp in 2011, but the U.S. company faces a challenge to stay on top this year as Toyota rebuilds its disaster-struck business. GM, bouncing back from bankruptcy only less than three years ago, said on Thursday it had sold 9.026 million vehicles globally last year, up 7.6 percent from 2010, with its Chevrolet brand setting a sales record of 4.76 million vehicles. (BusinessWorld)