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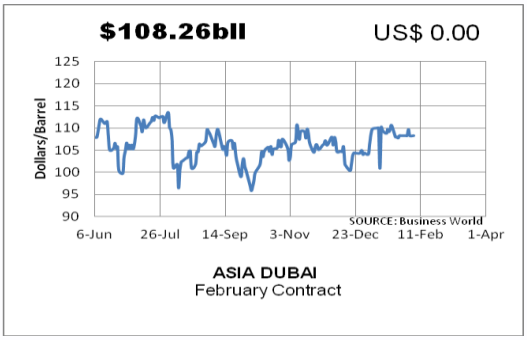
DASHBOARD

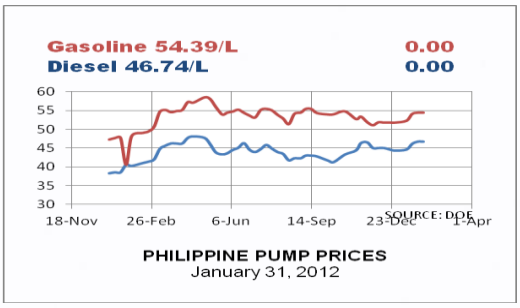
Changing News. Your Guide. AVID Daily E- News February 7, 2012 Volume 3 No. 2

PSE COMPOSITE INDEX
Close: February 7, 2012

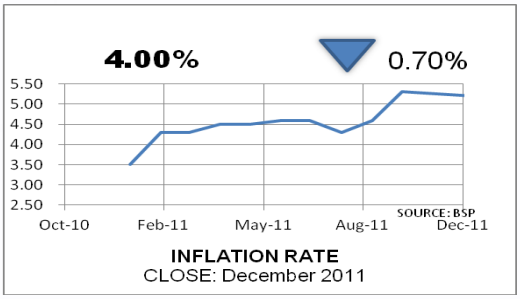
PESO-DOLLAR RATES
Close: February 7, 2012



ASIA DUBAI
February Contract



PHILIPPINE PUMP PRICES
January 31, 2012



INFLATION RATE
CLOSE: December 2011

	Tuesday, February 7 2012	Year ago
Overnight Lending, RP	6.25%	6.50%
Overnight Borrowing, RRP	4.25%	4.50%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.5876%	7.79%

MACROECONOMIC SNAPSHOT

Local banks 'least exposed' to euro zone risks – Moody's

The Philippine banking system is one of the least vulnerable in the Asia-Pacific to risks arising from a euro zone deterioration, Moody's Investors Service said. In a report assessing 16 countries, the debt watcher tagged the Philippines, along with Indonesia, as "least exposed" to a sudden euro zone slump. "Financial contagion risk to the Philippines is limited," Moody's said. "Its banking system's foreign currency loan-to-deposit ratio is at a very comfortable 24%, showing abundant customer deposits. In addition, euro area banks' foreign claims on the country are relatively small," the debt watcher added. "However, the sharp weakening in 2011's export performance is a warning that the banks may see a worsening in the debt-servicing capabilities of exporters," it continued. (BusinessWorld)

PHL's latest trade deficit with Asean: P371B

The $8.68-billion (P370.90 billion) trade deficit incurred by the Philippines from January 2010 to November 2011 is proof that local producers have not yet been able to fully exploit the removal of tariffs for almost all farm and industrial products traded among Southeast Asian countries under a regional free-trade scheme. The National Statistical Coordination Board released its computations for January 2010 to November 2011 showing that the Philippines imported $28.12 billion worth of goods from members of the Association of Southeast Asian Nations. In contrast, the Philippines exported only $19.44 billion worth of goods to them under the Asean Free-Trade Area scheme. "For every $100 [worth of goods] that we export to Asean, we buy back $145 [worth of goods]. Our trade in goods between January 2010 and November 2011 with Asean countries resulted in a deficit against Indonesia, Malaysia, Myanmar, Thailand and Vietnam," NSCB Secretary General Romulo A. Virola said. (BusinessMirror)

Customs misses Jan. goal, vows to hit full-year target

The Bureau of Customs (BoC) began the year by missing its January collection target but a continued campaign against smuggling, particularly in the oil industry, is expected to boost revenues significantly. The bureau took in just P23 billion last month, P3 billion below its target of P26 billion. It was, however, a 12% improvement from the P20.535 billion netted the year before, Commissioner Rozzano Rufino B. Biazon qualified. Despite the early shortfall, Mr. Biazon reiterated a determination to meet the full-year target of P347 billion. (BusinessWorld)

FINANCIAL TRENDS

Local stocks tumble as Greece debt talks drag on

Philippine stocks tumbled yesterday as talks dragged on to resolve a massive debt mess in Greece before it explodes into a wider financial crisis. The main PSE index dropped 60.35 points or 1.25 percent to close at 4,755.98. More than five billion shares valued at P7.51 billion were traded Tuesday. Losers led gainers 118 to 61, with 36 issues closing unchanged. "It's just a softening up of the market after the run-up last week… Now, it's in a correctional phase," said Harry Liu of Summit Securities Inc. (The Philippine Star)

P/$ rate stands at P42.55/$1

The peso exchange rate stands at P42.55 to the US dollar, the closing rate on Monday at the Philippine Dealing & Exchange Corp. (PDEx). The weighted average rate stands at P42.628. (Manila Bulletin)

INDUSTRY BUZZ

Create roadmap first before incentives

Trade and Industry Secretary Gregory L. Domingo has admonished the automotive industry to come up first with an industry roadmap before they ask for government incentives. "There is nothing impossible as far as support, but the solution cannot be done by just asking for tax breaks there must be a plan," Domingo said. Domingo explained that it is difficult to give a definite answer if there is no well-thought roadmap. As if trying to teach the industry on what is a roadmap, Domingo said, it is a strategy on how to attain an objective so it should include identifying the gaps of production, targets, companies and investments. The trade chief has been urging the industry to come up with out of the box solutions to make the industry become an exporter of completely built up vehicles. (Manila Bulletin)

Kia Motors' earnings went up a record 30% on overseas sales

South Korea's second-largest carmaker, Kia Motors, last week said it posted a record profit last year thanks to brisk overseas sales and increased returns in investment in affiliated firms. Net profit surged 30.4 percent from the previous year to $3.1 billion in 2011, the company said in a statement. Sales jumped 20.6 percent on-year to $38.4 billion in 2011, with operating profit up 41.6 percent to $3.1 billion. It sold 2.48 million cars last year, up 18.6 percent, thanks to solid sales of new models and the company's improved brand image, Kia said, adding that overseas sales were particularly brisk despite the eurozone crisis and the global economic slowdown. (The Manila Times)