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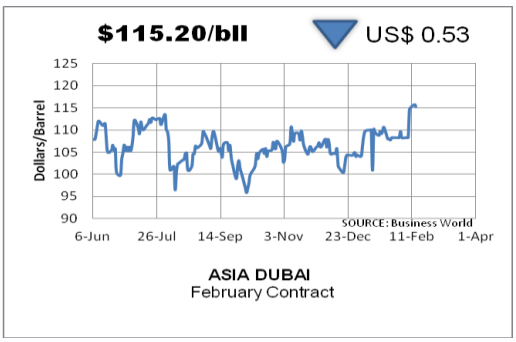
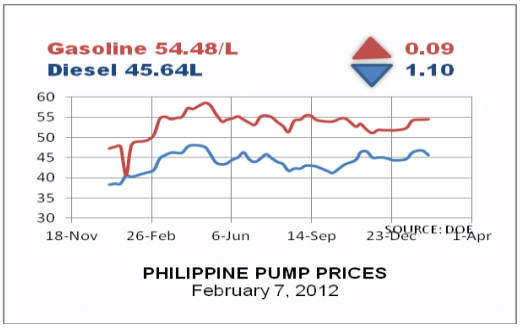
Changing News. Your Guide. AVID Daily E- News February 16, 2012 Volume 3 No. 8

PSE COMPOSITE INDEX
Close: February 15, 2012

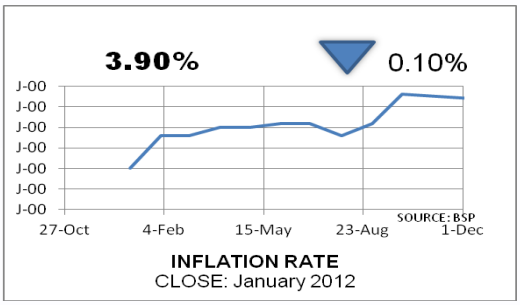
PESO-DOLLAR RATES
Close: February 15, 2012



ASIA DUBAI
February Contract



PHILIPPINE PUMP PRICES
February 7, 2012



INFLATION RATE
CLOSE: January 2012

	Wednesday, February 15 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	7.7430%	7.79%

MACROECONOMIC SNAPSHOT

Gov't allots P19.6 B for PPP counterpart fund

Reaffirming its goal to increase infrastructure spending and push for higher economic growth in 2012, the Aquino administration allocated P19.6 billion in counterpart funds for the government's Public-Private Partnership (PPP) program this year, a 56.8-percent increase from 2011's P12.5-billion counterpart budget. "The increased funding for public-private partnerships will help the administration's PPP program gain more traction this fiscal year, enabling us to fill infrastructure gaps and optimize our economic growth. We also expect to see concrete results for our private sector partnerships earlier this year," Budget and Management Secretary Florencio Abad said. (The Philippine Star)

DOF sees better prospects for emerging markets

The head of the Aquino administration's economic team has called on the private sector to help drive the country forward and, as an incentive, pointed out to members of the local business community that emerging market economies like the Philippines stand to grow at a faster clip than their developed counterparts. In particular, Finance Secretary Cesar Purisima cited the success of the government's recent $1.5-billion global bond issue as an indicator of this trend. "Growth in emerging markets is expected to be much faster than the developed world. Funds will continue to flow in markets like the Philippines and the rest of the Asean," Purisima said in a recent speech before members of Management Association of the Philippines. (Philippine Daily Inquirer)

Moody's cuts ratings of 6 European countries

Moody's Investors Service cut the debt ratings of six European countries including Italy, Spain and Portugal and said it may strip France and the UK of their top Aaa ratings, citing Europe's debt crisis. Spain was downgraded to A3 from A1 on Monday, Italy to A3 from A2 and Portugal to Ba3 from Ba2, all with negative outlooks. Slovakia, Slovenia and Malta also had their ratings lowered. "Policy-makers have made steps forward but we do not think they have done enough to reassure the market that we are on a stable path," said Alistair Wilson, chief credit officer for Europe at Moody's in London. "What will guide long-term ratings is the clarity and the performance of policy-makers and the macro picture." The euro weakened against the dollar as investors shifted funds to safer assets after the rating cuts. Moody's decision highlighted the risk that the European debt crisis will deepen even as the region's finance ministers prepare to meet tomorrow to discuss a second aid package for Greece, following the country's approval of austerity measures. (BusinessMirror)

FINANCIAL TRENDS

Stocks retreat further on uncertainties

The bourse lost a bit more ground Wednesday, reflecting persistent market worries over uncertainties hounding the euro zone. Just a day after it declined 0.54% or 26.10 points on Tuesday, the Philippine Stock Exchange index (PSEi) slid by 0.07% or 3.46 points to close at 4,772.47. The broader all-share index similarly dropped by 0.03% or 1.03 points to 3.234.97. (BusinessWorld)

P/$ rate stands at P42.75/$1

The peso exchange rate stands at P42.75 to the US dollar, the closing rate on Tuesday at the Philippine Dealing & Exchange Corp. (PDEx). The weighted average rate stands at P42.643. (Manila Bulletin)

INDUSTRY BUZZ

Kia starts the year with strong sales growth

From December 2011 to January 2012, Kia posted a 67% increase in total sales. This significant increase is attributed to the 2012 Kia Rio which was launched last January 21 during the charity game between the Philippine Azklas and Incheon Citizen FC of South Korea. The Rio had the most number of units sold at 149. A year to date ranking of the industry sales shows that for January 2012, Kia has sold more than 500 units. As compared to January 2012, where there were only 358 units sold, this result shows an increase of 41%. (The Philippine Star)

BPI family saving bank makes it easy for auto buyers

With last year's auto loans performance affected by various natural disasters, BPI Family Savings Bank (BPI FSB) hopes to improve its performance this year by offering new loan packages for prospective car owners. BPI FSB vows to make it easy to secure an auto loan especially for those wary about buying a car through credit. "We're targeting a 10-12 percent increase in our auto loans business," said David Sarmiento, senior vice president and head of auto and motorcycle loans and credit services division of BPI Family Savings Bank (BFSB). According to Sarmiento, BFSB's auto loans as of October 2011 grew by 7 percent. He added that auto loans made up about a third of the bank's overall loan portfolio last year. (Philippine Daily Inquirer)