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# DASHBOARD

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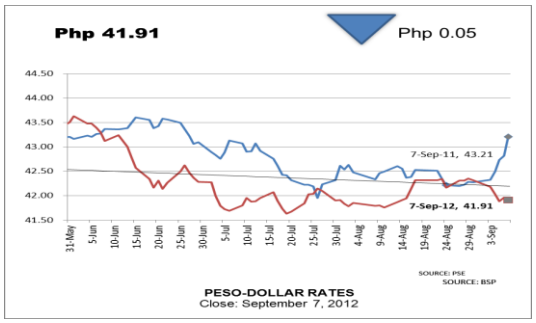


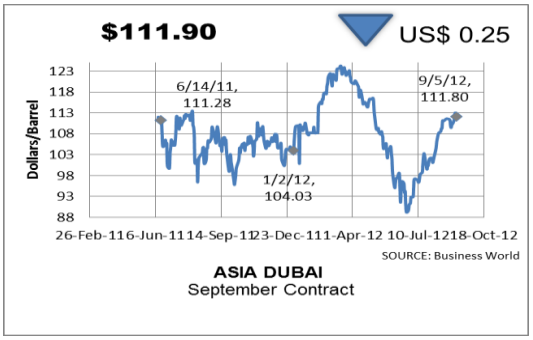


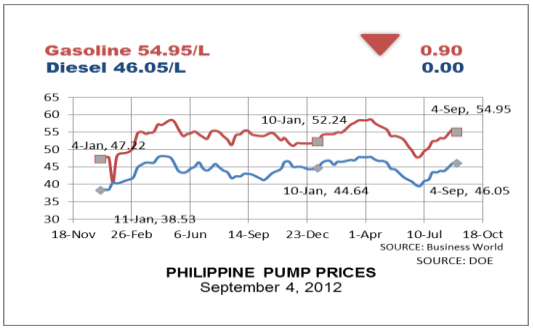


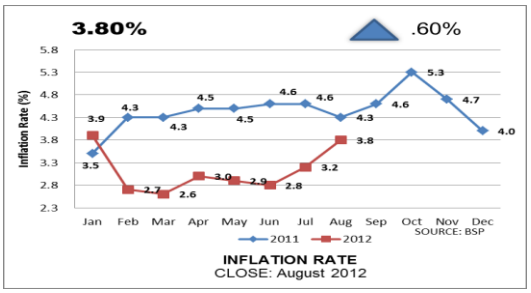


| | Friday, September 7 2012 | Last Week | Year ago |
|---|---|---|---|
| Overnight Lending, RP | 5.75% | 6.00% | 6.50% |
| Overnight Borrowing, RRP | 3.75% | 4.00% | 4.50% |
| 91 day T Bill Rates | 2.01% | 2.15% | 3.85% |
| Lending Rates | 7.58% | 7.61% | 7.79% |

## MACROECONOMIC SNAPSHOT

### BSP: Philippines weighed down by too much liquidity

The Philippines may have emerged on the radar screen of foreign portfolio investors, but it is now being weighed down by too much liquidity in its financial system, the Bangko Sentral ng Pilipinas said. The rise in the inflow of foreign portfolio capital and growth in internal resources of the country's financial system may be welcome, but they also have their fair share of risks, BSP Governor Amando Tetangco Jr. said. According to the BSP chief, while rising liquidity in the system makes the local financial sector vibrant, the presence of excess cash may lead to unmanageable inflation. (Philippine Daily Inquirer)

### Euro crisis biggest risk to global economy

The eurozone crisis poses the greatest risk to the global economy, the Organization for Economic Cooperation and Development (OECD) said on Thursday, and called for further action including government bond purchases being contemplated by the European Central Bank (ECB). As the European Central Bank was holding a meeting at which it was expected to detail new plans to buy up bonds of struggling eurozone members, the OECD said that such a move could cut an adverse feedback loop undermining the euro. (Manila Times)

### DOF seeks debt issue nod

The National Government through the Department of Finance (DOF) has sought approval from the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) to borrow $750 million for debt servicing requirements this year. Monetary Board sources, requesting anonymity, said it is not yet confirmed if the NG will borrow from the international bond market or source its US dollar requirement locally. The DOF is still in the process of consulting the BSP on the usual impact of a foreign debt issue on liquidity, balance of payments position and foreign exchange market. The last time the NG borrowed from overseas sources was in January worth $1.5 billion in global peso notes. The BSP approves all foreign borrowings of both the public and private sectors. (Manila Bulletin)

## FINANCIAL TRENDS

### PSEi seen staying above 5,200 this week

Local stocks may stay above the 5,200 this week as investors take their cue from the US Federal Reserve's prospective new round of quantitative easing via bond buyback. The main-share Philippine Stock Exchange index was in the doldrums for most of last week until the European Central Bank's announcement of a bond-buying program boosted regional markets on Friday. The index closed marginally higher (+0.1 percent) to 5,201.32 week on week. (Philippine Daily Inquirer)

### More peso appreciation expected

More peso appreciation is expected this week, with the Federal Reserve expected to announce a new bond-buying program after the European Central Bank (ECB) did so last week. The local unit surged by 38 centavos to settle at P41.68 per dollar last Friday against its P42.06-per-dollar close the week before. Traders interviewed by phone last Friday said the peso may trade within the P41.70- to P41.90-per-dollar band this week. (BusinessWorld)

## INDUSTRY BUZZ

### Toyota targets 25% rise in parts exports

The Toyota Group is aiming to achieve a 25-percent rise in export sales of auto parts this year as it expects shipments to normalize, an official said. Rommel Gutierrez, vice president for corporate affairs of Toyota Motor Philippines Corp. (TMPC), told reporters yesterday on the sidelines of the 20th production anniversary of Toyota Autoparts Philippines, Inc. (TAP) in Sta. Rosa City, Laguna that the Toyota Group has set its exports sales target for auto parts at $1 billion this year. "We are are seeing recovery from last year," he said. The Toyota Group's exports sales performance last year was affected by disruptions caused by heavy floods in Thailand and the devastating earthquake and tsunami in Japan. Export sales of the Toyota Group reached $800 million last year. (The Philippine Star)

### Berjaya to handle PH Mazda sales

Malaysian conglomerate Berjaya will take over Mazda dealership in the Philippines by 2013.The partnership between Berjaya and Mazda in the Philippines will be formalized on September 12 when executives would announce their plans for the brand in the country. The dealerships will we handled by a new business unit in the country Berjaya Motors, Philippines. Berjaya through its automobile business covers the distribution of Mazda as well as Skoda, Changan, Mercedes Benz and Aston Martin. (Malaya Business Insight)