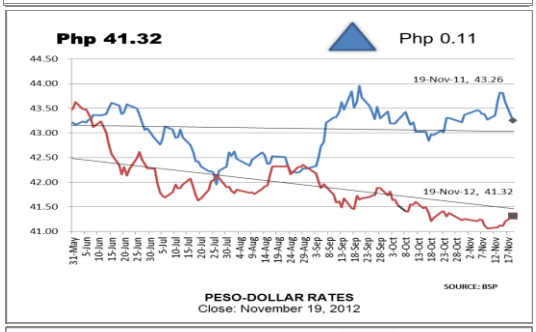
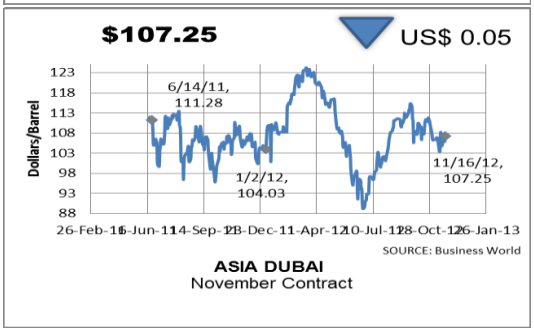
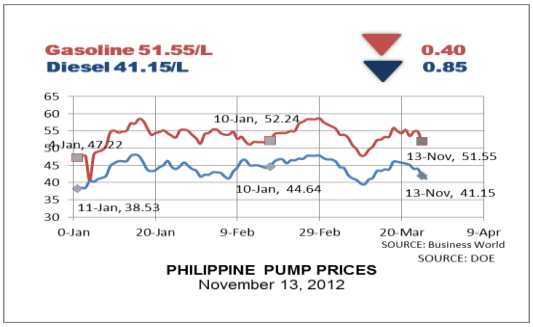
AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

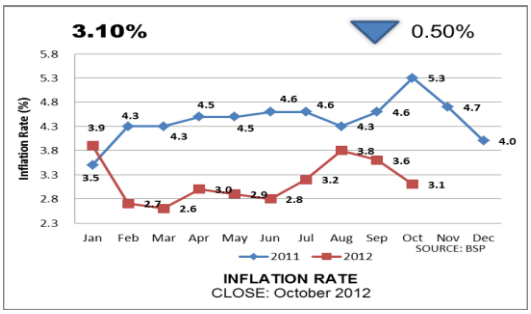
DASHBOARD

Changing News. Your Guide. AVID Daily E- News November 20, 2012 Volume 4 No. 84









	Monday, 19 November 2012	Last Week	Year ago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.15%	0.15%	3.85%
Lending Rates	7.58%	7.52%	7.79%

MACROECONOMIC SNAPSHOT

Steady growth expected

The Philippine economy will likely post within-target growth this year, the Organization for Economic Cooperation and Development (OECD) said, but is unlikely to expand at rates programmed by the government for the medium term. With the region expected to stay resilient amid a global downturn, the OECD, in its Southeast Asia Economic Outlook 2013 released yesterday, said the Philippines could see 2012 gross domestic product (GDP) growth of 5.4%, within the government's 5-6% goal and up from 2011's below-target 3.7%. The average momentum for the next five years will be 5.5%, the OECD said, with the Philippines likely to post GDP growth of 5.3% in 2017. (BusinessWorld)

Gov't cuts outstanding foreign debt by $1.5-B

The government has reduced its outstanding foreign debt by $1.5 billion, or P61 billion, as it retired dollar and euro bonds, riding on the rising international confidence on the Philippine economy and the continued strong run of the peso. Finance officials said they expected to have paid such amount after the government's buyback offer closed last Friday. Finance Secretary Cesar V. Purisima said in a statement that reducing the foreign currency component of the country's financial obligations was part of the strategy to manage state liabilities. (Philippine Daily Inquirer)

BSP losses balloon to P68.36-B in third quarter

Losses incurred by the Bangko Sentral ng Pilipinas (BSP) grew by 187 percent in the third quarter because of continued payment of high interest, buying of dollars and lower revenues, data showed. The central bank, which has been in the red for the past two years, grew its losses to P68.36 billion in the third quarter, up 189 percent from P23.62 billion in the same period last year. Losses were aggravated by the peso's appreciation and expenditure incurred in taming the currency which was reflected in the financial statement as foreign exchange fluctuations and provisions. "What is clear is that BSP will continue to lose money for as long as the peso goes in one direction: appreciation," Benjamin Diokno, senior economist at the University of the Philippines-Diliman, said. (The Philippine Star)

FINANCIAL TRENDS

Local shares close 0.19% up

Local shares closed slightly higher yesterday, tracking gains in US equities Friday amid growing expectations that the US will be able to avoid a fiscal cliff. The benchmark Philippine Stock Exchange index (PSEi) was up 10.27 points or 0.19% at 5449.55 on heavy volume. A total of 8.58 billion shares valued at P10.39 billion were traded with losers outnumbering gainers 90-61 with 46 issues unchanged. (Manila Bulletin)

P/$ rate closes at P41.185/$1

The peso exchange rate closed higher at P41.185 to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P41.33 last Friday. The weighted average rate appreciated to P41.239 from P41.318. Total volume amounted to $673.10 million. (Manila Bulletin)

INDUSTRY BUZZ

Mitsubishi Motors launches Mirage, eyes PH expansion

In the Philippines, Mitsubishi Motors Philippines president and CEO Hikosaburo Shibata said the company was aiming to sell at least 500 units of the Mirage in a month. Orders have reached 2,500 units even before retail sales started during the weekend, he said. In terms of sales of all its vehicles, Mitsubishi is targeting to beat this year its all-time high of 36,500 units, which was posted in 1996. In the meantime, they said they were estimating the right timing by monitoring "signals," including government support for the whole automotive industry. Depending on demand and the investment climate, Mitsubishi might even launch an electric vehicle, Masuko said. (Philippine Daily Inquirer)

Peugoet-Opel talks halt

General Motors and alliance partner PSA Peugeot Citroen have halted talks on a deeper tie-up amid misgivings about the French carmaker's worsening finances and government-backed bailout, people familiar with the matter said. The companies, already pursuing an operational partnership announced in February, had also been exploring a full combination of Peugeot with GM's European unit Opel, which is based in Germany. Two sources with direct knowledge of those discussions said they were broken off after Peugeot accepted a state guarantee for its lending arm last month and announced a further deterioration of its cash position. The automakers have agreed to a "pause" in early-stage talks on a Peugeot-Opel deal, said one of the sources. (BusinessWorld)