AVID
ASSOCIATION OF VEHICLE IMPORTERS AND DISTRIBUTORS

# DASHBOARD

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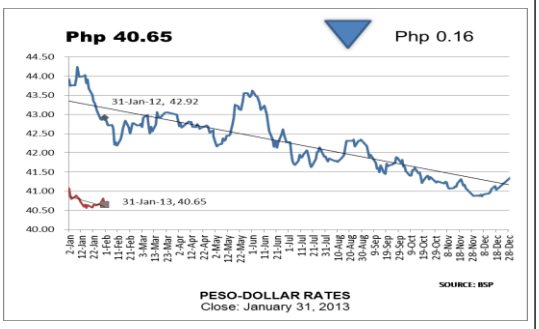


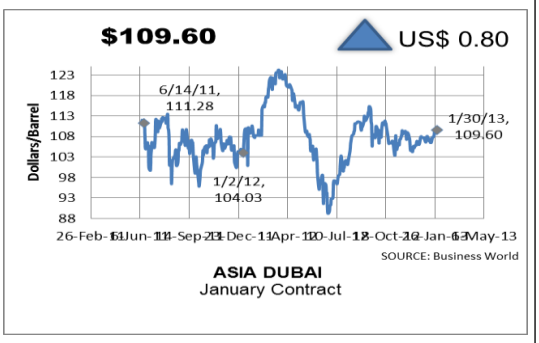


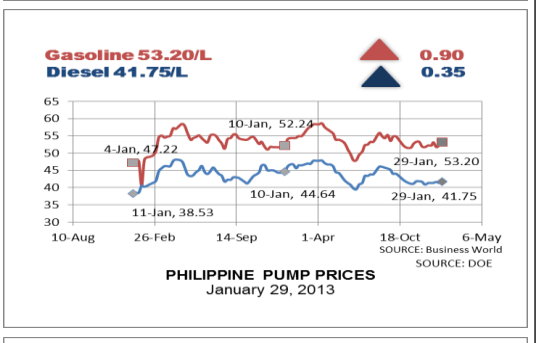


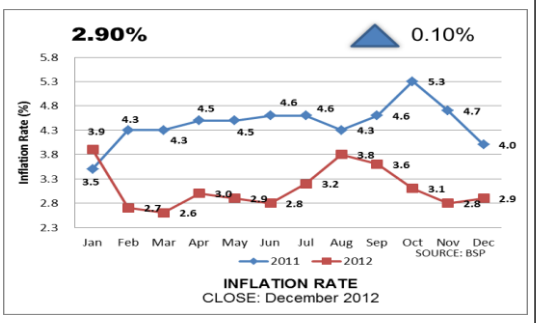


| | Thursday, 31 January 2013 | Last Week | Year ago |
|---|---|---|---|
| Overnight Lending, RP | 5.50% | 5.50% | 6.50% |
| Overnight Borrowing, RRP | 3.50% | 3.50% | 4.50% |
| 91 day T Bill Rates | 0.05% | 0.20% | 3.85% |
| Lending Rates | 7.12% | 7.06% | 7.79% |

## MACROECONOMIC SNAPSHOT

### PH needs to sustain 6.5% growth, says Neda chief

The country's chief economist said the impressive 6.5-percent growth for 2012 should be sustained for several years to allow it to seep through the grassroots and benefit ordinary Filipinos. "We are hoping and we are working [to] sustain this growth and get this growth spreading, benefiting the broader sections of society. The key here is really sustaining it in such a way [that it will] benefit a large part of population, especially the poor," said Socioeconomic Planning Secretary Arsenio Balisacan, also the director general of the National Economic and Development Authority (Neda). Balisacan sounded hesitant when asked to confirm the 6.5-percent growth rate in an ambush interview. (Philippine Daily Inquirer)

### PH ratings upgrade 'warranted'

Visiting U.S. economist Nouriel Roubini, chairman and co-founder of Roubini Global Economics, said the economic outlook for the Philippines remains "robust" in 2013, following a likely 6.5-percent expansion in gross domestic product (GDP) last year. Consumer spending will continue to drive economic expansion and could be bolstered by increased infrastructure investments, he added. Roubini also cited the Philippines's fiscal policy, which he called its "success story," with a budget deficit running at 2 percent of GDP and falling, reduced public debt and a strong reserve position accumulated by the central bank. Given benign inflation, the Bangko Sentral ng Pilipinas has been keeping policy rates on hold at the current record lows, helping sustain spending and investments. "All this leads to the conclusion that a ratings upgrade is certainly warranted and a formal decision [will be] undertaken this year," Roubini said at the Philippine Investment Summit 2013 organized by First Metro Investment Corp. (Business Mirror)

### Q3 results revised upward by government

The government Wednesday raised the third-quarter economic growth figure to 7.2% from 7.1% ahead of today's release of full-year results. Growth for the nine months to September remained at 6.5%, higher than the full-year target of 5-6%" widely expected to have been topped last year. The agriculture, hunting, forestry and fishing, and services sectors were said to have posted higher growth of 4.2% and 7.5%, respectively, from 4.1% and 7.0%. Household final consumption expenditure and capital formation figures were also raised, said Vivian R. Ilarina, the National Statistical Coordination Board's expenditure accounts division chief. (BusinessWorld)

## FINANCIAL TRENDS

### Profit taking dampens share prices

The Philippine Stock Exchange index (PSEi) retreated yesterday from record highs after a five-day run-up, declining 0.45 percent or 28.49 points to settle at 6,242.74 after investors took profits following the announcement that fourth quarter and full year Philippine economic growth beat expectations. (The Philippine Star)

### P/$ rate closes at P40.685/$1

The peso exchange rate closed lower at P40.685 to the US to the US dollar yesterday at the Philippine Dealing & Exchange Corp. (PDEx) from P40.625 the previous day. The weighted average rate depreciated to P40.666 from P40.653 Total volume amounted to $715.8 million. (Manila Bulletin)

## INDUSTRY BUZZ

### Infiniti projects double-digit sales increase for China

Nissan Motor Co. pledged to win double-digit sales increases for its Infiniti luxury brand in China this year, following a tough 2012 marked by a consumer backlash against Japanese brands and tougher competition. The Japanese auto maker will invest an undisclosed amount to familiarize Chinese consumers with the brand, said Johan De Nysschen, president of Infiniti Motor Co. "We have networks in over 15 countries, but we can't be a global player unless we become a strong player in China, and China will be our priority," he told reporters on Tuesday. (Wall Street Journal)

### Low-end luxury

PGA Cars, Inc., the exclusive local distributor of high-end brands Porsche and Audi, is likely to further grow its European pedigree to accommodate two new brands. Roberto G. Coyiuto, Jr. PGA Cars chairman, told BusinessWorld in a chance interview last week that the company is in talks to introduce two "low-end luxury" European brands. "We're still in talks. We're talking to these two to be their importer, within the year hopefully," Mr. Coyiuto said. While the new entrants were not identified, the businessman described them as cheaper than their Japanese or Korean counterparts. Meanwhile, Mr. Coyiuto said he is "optimistic" on PGA Cars' sales prospects this year amid election-linked spending and a batch of new Audi models to be rolled out soon. (BusinessWorld)