AVID
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DASHBOARD

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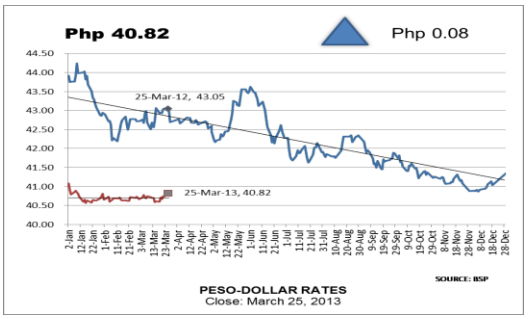

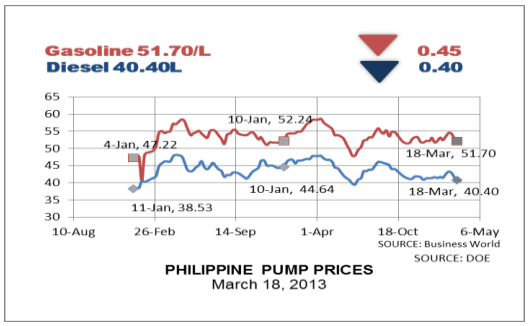

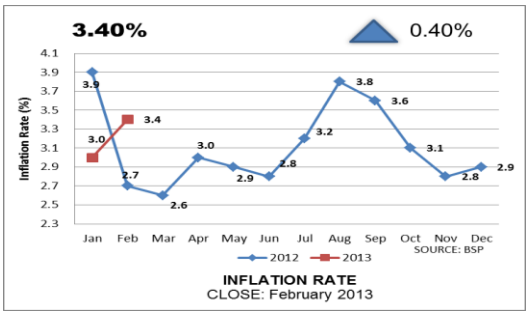

	Friday, 22 March 2013	Last Week	Year ago
Overnight Lending, RP	5.50%	5.50%	6.50%
Overnight Borrowing, RRP	3.50%	3.50%	4.50%
91 day T Bill Rates	0.08%	0.05%	3.85%
Lending Rates	7.14%	7.14%	7.79%

MACROECONOMIC SNAPSHOT

DBS raises RP growth forecast

Singapore-based DBS Bank Ltd. has revised upward its growth forecast for the Philippines this year amid expectations that the country's positive momentum last year will spill over into 2013. DBS said that the country's economy, as measured by its gross domestic product (GDP), would expand by 6 percent this year, higher than the bank's earlier projection of 5.3 percent, or at the lower-end of government's target. The Aquino administration's economic managers estimated that the country's GDP could expand by 6 percent to 7 percent in 2013 following the 6.6 percent growth in the previous year. DBS explained that the economic momentum will be mainly from the non-electronics manufacturing, services and construction sectors. (Manila Bulletin)

Infrastructure budget released

The Department of Budget and Management (DBM) has released P1.92 billion for various infrastructure projects to boost the government's disaster preparedness efforts and support the development of the agriculture sector. In a statement over the weekend, the department said the funds will go to the Department of Public Works and Highways (DPWH) and the Department of Agriculture (DA) for the implementation of flood control and farm-to-market road projects, respectively. Of the total amount, P1.23 billion was released to the DPWH for flood management initiatives in the National Capital Region and Region III (Central Luzon). The DBM said the budget also finances the construction of additional roads, highways and bridges in the said regions. The projects will be implemented under the agency's Flood Management Master Plan. (BusinessWorld)

BSP sees March inflation at 2.8-3.7%

Consumer prices likely rose between 2.8 percent and 3.7 percent this month, the Bangko Sentral ng Pilipinas (BSP) said, reiterating inflation would remain manageable this year and the next. "Inflation continues to be low and favorable," BSP Governor Amando Tetangco Jr. said in a text message to reporters yesterday. The forecast range, he said, takes into account the increase in electricity rates this month. He said this may have been offset by lower oil and food prices. The outlook was similar to that provided last month. (The Philippine Star)

FINANCIAL TRENDS

Share prices gain on upbeat sentiment

Local stocks on Monday gained for a third session as risk appetite across the region was boosted by a bailout deal for Cyprus. The main-share Philippine Stock Exchange index surged by 78.88 points, or 1.21 percent, to close at 6,597.59. The day's gains were led by the property counter (+2.28 percent) while the financial, industrial and services counters also rose by over 1 percent. (Philippine Daily Inquirer)

P/$ rate stands at P40.84/$1

The peso exchange rate stands at P40.84 to the US dollar last Friday at the Philippine Dealing & Exchange Corp. (PDEx). The weighted average rate stands at P40.821 (Manila Bulletin)

INDUSTRY BUZZ

Auto industry expects sales to rev up

The Philippines is set to boost local vehicle manufacturing and grow a supply chain as the country undergoes rapid motorization fueled by a growing economy. The executive director of Philippine Automotive Competitiveness Council Inc. (Pacci), Ramon Vicente T. Kabigting, said in an interview that vehicle sales could reach 500,000 units by 2022, from 180,000 units in 2012. To make this possible, the Board of Investments, an agency attached to the Department of Trade and Industry, is crafting the National Automotive Manufacturing Industry Strategy (Namis) to be launched "in the next three months," according to Pacci. The non-fiscal support policy will allow local car manufacturers to take their idle plant lines to full capacity, assembling 200,000 units in the next two years. The current utilization rate is 36 percent of full capacity. (Philippine Daily Inquirer)

Toyota to lift domestic output

Toyota Motor plans to raise domestic production during the April-September period by about 10 percent from its earlier estimate thanks to the recent weak yen, it was reported Saturday. Toyota has already revised up planned output for April and May by 10 percent to between 13,000 and 13,500 vehicles a day and it now intends to keep production at that level through to September, the Nikkei business daily said. The weakening Japanese currency is seen pushing up exports of the Corolla and Prius to North America as well as vehicles for the Middle Eastern market, the newspaper said. (Manila Bulletin)