

DAILY UPDATE December 27, 2016

MACROECONOMIC NEWS

Japan Economy – Japan’s consumer prices dropped for a ninth straight month in November, while household spending fell, underscoring the challenge the Bank of Japan faces in stoking inflation. CPI excluding fresh food, the Bank of Japan’s primary gauge of inflation, fell 0.4% YoY in November. Overall CPI rose 0.5%. CPI excluding food and energy gained 0.1%. Household spending fell 1.5% YoY. The unemployment rate was 3.1%. The job-to-applicant ratio was 1.41. The BOJ has forecast that its core gauge will rise 1.5% in the next fiscal year after falling an estimated 0.1% this year. Moreover, CPI excluding fresh food in Tokyo fell 0.6% YoY in December. Overall inflation in the capital was 0%. Tokyo CPI excluding food and energy fell 0.2%.

France Economy – French financial industry faces “low and less volatile” systemic risk compared with euro area as a whole, Bank of France says in e-mailed statement. Low rates environment may pose risks for French banks while any “brutal” hike in interest rates would weigh on earnings. “Excessive” increases in regulatory demands may hurt bank profits. Bank of France reiterates it expects French GDP to grow 1.3% both in 2016 and 2017, and to grow 1.4% in 2018

Israel Economy – The Bank of Israel held its benchmark interest rate at 0.1%, a record low for 23rd straight month, as it sought to prevent the shekel from gaining further, and raised its growth forecasts for this year and next. Israel’s economy will expand 3.5% this year after two quarters of better-than-expected growth, up from the 2.8% it forecast as recently as September, the BOI’s research staff said in its quarterly report. The bank expects gross domestic product to grow 3.2% next year and 3.1% the year after.

CORPORATE NEWS

BWPT – Rajawali Group may sell 37% stake in PT Eagle High Plantation for USD 505.4 million to Federal Land Development Authority Malaysia, subject to regulators’ approval.

KRAS – PT Krakatau Steel plans to expand two of their subsidiaries PT Krakatau Daya Listrik and PT Krakatau Industrial Estate Cilegon before initiating public offering.

Equity Markets

	Closing	% Change
Dow Jones	19934	0.1
NASDAQ	5463	0.3
MSCI excl. Jap	2264	0.1
Nikkei	506	0.0
Hang Seng	19420	0.1
Nikkei	3123	0.4
MSCI excl. Jap	21575	-0.3
STI	2860	-0.4
JCI	5028	-0.3
Indo ETF (IDX)	20.25	0.8
Indo ETF (EIDO)	22.80	0.7

Currency

	Closing	Last Trade
US\$ - IDR	13435	13428
US\$ - Yen	117.1	117.39
Euro - US\$	1.0455	1.0441
US\$ - SG\$	1.4474	1.4487

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.08	0.06	0.11
Oil BRENT	55.09	-0.07	-0.13
Coal NYMEX			
Coal Newcastle	86.6	-0.15	-0.17
Nickel	10410	-320	-3.0
Tin	21100	160	0.8
Gold	1133.8	-1.00	-0.09
CPO Rott	705	-45.0	-6.00
CPO Malay	3228.5	1.5	0.05

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.93	0.05	0.68
3 year	7.60	0.02	0.25
5 year	7.54	-0.02	-0.23
10 year	7.89	0.03	0.38
15 year	8.13	-0.00	-0.03
30 year	8.57	-0.00	-0.02

CORPORATE NEWS – cont'd

APLN – PT Agung Podomoro Land is looking to sell 216 ha of land in Karawang owned through consortium Trans Heksa Karawang. Separately, the company is also considering divest Pullman Hotel Jakarta Central Park and Sofitel Bali Nusa Dua. The two hotels are valued at around IDR 3.2 trillion.

NIRO – PT Nirvana Development is optimistic on booking a net profit in 2017 after experiencing loss for the last 2 years.

WIKA – PT Wijaya Karya to inject capital of IDR 200 billion for their subsidiary, PT Wika Bitumen.

DPUM – PT Dua Putra Utama Makmur targets 2017 revenue and net income to grow between 25-30% and 15-20% yoy, respectively. (2016 revenue target: IDR 900 billion and net income target: IDR 85-90 billion).

CKRA – PT Cakra Mineral partners with Zhe Jiang Baoli Mining, a Chinese mining company to fund the construction of two smelters for ferronickel and steel, amounting USD 128 million.

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