

DAILY UPDATE December 28, 2016

MACROECONOMIC NEWS

US Housing – US national house prices rose quite strongly during October. The non-seasonally adjusted S&P CoreLogic Case-Shiller national home price index rose 5.61% YoY, faster than the 5.39% increase in September. The 20-city index rose 5.10% YoY from a 5.03% increase in September. After seasonal adjustment, the national index increased 0.9% MoM. The 10-city index and the 20-city index each rose 0.6%. The nation's hottest markets remain concentrated in the Northwest. Seattle prices leapt 10.7%, Portland 10.3% and Denver 8.3%. "Home prices and the economy are both enjoying robust numbers," said David Blitzer, MD of the index committee at S&P Dow Jones Indices. "Mortgage interest rates rose in November and are expected to rise further as home prices continue to outpace gains in wages and personal income. With the current high consumer confidence numbers and low unemployment rate, affordability trends do not suggest an immediate reversal in home price trends. Nevertheless, home prices cannot rise faster than incomes and inflation indefinitely."

US Economy – US consumer confidence hit its highest level in more than 15 years during December. The Conference Board's index of consumer confidence jumped to 113.7, the highest since August 2001, from a revised 109.4 in November. The gain in confidence was entirely due to rising expectations as consumers' assessments of current conditions dipped, and was led by surging optimism among older Americans, Lynn Franco, director of economic indicators at The Conference Board, stated. Consumers' assessment of current economic conditions weakened. The share of those saying business conditions were "good" dipped slightly to 29.2% while the share of those saying they were "bad" rose to 17.3% from 15.2%. "Looking ahead to 2017, consumers' continued optimism will depend on whether or not their expectations are realized," Franco said.

Japan Economy – Japan's industrial output rose the most in five months in November as export volumes rebounded sharply, pointing to an expected economic expansion in the fourth quarter. Industrial production increased 1.5% MoM in November. Retail sales rose 1.7% YoY in November, the first gain since February. Rising production bodes well for Japan's economy, and unexpected strength in exports last month point to output gaining traction. Export volumes rose by 7.4% YoY in November, with those to China jumping 16%.

Equity Markets

	Closing	% Change
Dow Jones	19945	0.1
NASDAQ	5487	0.5
MSCI excl. Jap	2269	0.2
Nikkei	507	0.2
Hang Seng	19400	-0.0
Nikkei	3115	-0.3
MSCI excl. Jap	21563	-0.1
STI	2888	0.1
JCI	5103	1.5
Indo ETF (IDX)	20.55	1.5
Indo ETF (EIDO)	23.27	2.1

Currency

	Closing	Last Trade
US\$ - IDR	13446	13435
US\$ - Yen	117.43	117.63
Euro - US\$	1.0457	1.047
US\$ - SG\$	1.4496	1.4481

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.77	0.69	1.30
Oil BRENT	55.95	0.86	1.56
Coal NYMEX			
Coal Newcastle	86.6		
Nickel			
Tin			
Gold	1140.9	7.09	0.63
CPO Rott	705		-6.00
CPO Malay	3198.5	-30.0	0.05

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.93	0.05	0.68
3 year	7.59	-0.00	-0.05
5 year	7.57	-0.00	-0.01
10 year	7.91	-0.00	-0.01
15 year	8.13	0.00	0.01
30 year	8.57	-0.00	-0.02

CORPORATE NEWS

BJBR – PT BPD Jawa Barat dan Banten will issue MTN of IDR 1.19 trillion that offers coupon 9% pa due in 370 days.

BNLI – PT Bank Permata may raise new capital between IDR 1.5-2.5 trillion in 2017.

INAF – PT Indofarma may divest PT Indofarma Global Media for up to IDR 300 billion. On a separate note, INAF targets 2017 revenue of IDR 2 trillion and net income of IDR 30 billion.

ROTI – Sarimonde Foods Corporation, a subsidiary of PT Nippon Indosari Corpindo, acquired 100% shares in All Fit & Popular Foods, Inc from Philippines worth PHP 173.55 million or about IDR 47 billion.

CKRA – PT Cakra Mineral and Chinese Investors plans to develop a ferronickel plant, valued USD 68 million, in South East Sulawesi in 2017.

DOID – PT Delta Dunia Makmur targets a 10% increase in new contracts next year.

CTRA, CTRP, CTRS – Ciputra Group merger has been approved by the shareholders yesterday. The conversion ratio for CTRA and CTRS is 1:2.13 while for CTRA and CTRP is 1:0.54. On a separate note, CTRA estimates a lower marketing sales achievement at IDR 7 trillion this year (from the original target of IDR 9.3 trillion).

CTRS – PT Ciputra Surya books IDR 1.2 Trillion marketing sales from Centre Point of Indonesia reclamation project in Makassar, Sulawesi Selatan.

GIAA – PT Garuda Indonesia plans to increase available seat capacity for international flight by 14% in 2017.

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