

DAILY UPDATE December 30, 2016

MACROECONOMIC NEWS

China Economy – China's money-market liquidity squeeze is about to get worse. The average interbank repo rate surged to a 20-month high on Dec. 16 on a combination of year-end cash demand and mounting concern over counterparty risks after a brokerage reportedly declined to honor its bond trading agreements. China's debt market is heading for its biggest monthly decline in at least a decade; ending a record bull run that had been in place since the beginning of 2014 as investors bet the People's Bank of China would keep financing costs low to bolster the economy. The benchmark seven-day repo rate jumped 15 basis points to 2.72% on Thursday, the most in eight months, according to weighted average prices from the National Interbank Funding Center. The cost of borrowing for two weeks surged 86 basis points to 4.46%, the most in two years.

China Infra – China plans to spend CNY 3.5 trillion (USD 503 billion) to expand its railway system by 2020 as it turns to investments in infrastructure to bolster growth and improve connectivity across the country. The high-speed rail network will span more than 30,000 kilometers under the proposal, according to details released at a State Council Information Office briefing in Beijing Thursday. The distance, about 6.5 times the length of a road trip between New York and Los Angeles, will cover 80% of major cities in China.

CORPORATE NEWS

BJTM – PT Bank Pembangunan Daerah Jawa Timur allocates capex of IDR 300 billion next year, mainly to expand its branches and its IT system.

PTBA – PT Bukit Asam is looking to raise USD 2.5 billion as part of its plans to construct 6,000 megawatt power plant in 2017. Moreover, the company targets production growth of 25% next year, to reach 30 million tons.

PALM – PT Provident Agro divested its subsidiary, PT Nakau. PALM previously owned 99.99% stake worth IDR 273.2 billion.

Equity Markets

	Closing	% Change
Dow Jones	19820	-0.1
NASDAQ	5432	-0.1
MSCI excl. Jap	2249	-0.0
Nikkei	511	0.3
Hang Seng	19026	-0.6
Nikkei	3096	-0.2
MSCI excl. Jap	21791	0.2
STI	2896	0.2
JCI	5303	1.8
Indo ETF (IDX)	21.49	3.4
Indo ETF (EIDO)	24.45	3.7

Currency

	Closing	Last Trade
US\$ - IDR	13471	13433
US\$ - Yen	116.54	116.22
Euro - US\$	1.049	1.0553
US\$ - SG\$	1.4482	1.4438

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.91	0.17	0.32
Oil BRENT	56.89	0.80	1.43
Coal NYMEX			
Coal Newcastle	88.25	0.60	0.68
Nickel	10120	20	0.2
Tin	21050	175	0.8
Gold	1161.7	13.72	1.20
CPO Rott	705		
CPO Malay	3246	20.0	0.62

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.93	0.05	0.68
3 year	7.56	-0.00	-0.04
5 year	7.60	0.00	0.04
10 year	7.97	-0.00	-0.01
15 year	8.19	0.00	0.01
30 year	8.57	0.00	0.00

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CORPORATE NEWS – cont'd

MYOR – PT Mayora Indah expects sales may reach IDR 18 trillion this year, slightly higher than its original forecast of IDR 17.5 trillion. This represents sales growth of 21.5% over the same period last year.

SMGR – PT Semen Indonesia plans to expand its business to non-semen portfolio through acquisition. The company is considering construction material sector as one of the portfolios to be acquired.

BKSL – PT Sentul City plans a preemptive rights issue as much as IDR 2.32 trillion. The rights issue price will be at IDR 112 per share, for a total of 20.72 billion shares, with 5:3 ratio. The company will also issue 1st series warrant at strike price of IDR 115 with 12:7 ratio.

TIFA – PT Tifa Finance recently obtained bank loan of IDR 150 billion from PT Bank Mandiri.

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