

DAILY UPDATE January 4, 2017

MACROECONOMIC NEWS

US Economy – US factory activity accelerated to a two-year high during December. The ISM manufacturing PMI to 54.7, the highest level since December 2014, from 53.2 in November. The new-orders index spiked to 60.2 from 53.0. The production index rallied to 60.3 from 56.0. The employment index climbed to 53.1 from 52.3. The index tracking new export orders rose to 56.0 from 52.0. The index tracking prices paid for raw materials surged to 65.5 from 54.5. In all, 11 of 18 sectors tracked in the report saw growth in December. Six industries reported contraction, and one saw no growth. Markit said that December data signaled a strong end to the year for the US manufacturing sector. Markit's US Manufacturing Purchasing Managers' Index edged up to 54.3 during December from 54.1 in November. That was the strongest improvement in business conditions in almost two years. The improvement was largely driven by stronger rates of employment growth and inventory building which more than offset slightly weaker increases in output and new orders.

US Housing – US construction spending reached its highest level in 10.5 years during November. Construction spending rose 0.9% to USD 1.18 trillion, the highest level since April 2006. Spending on private construction projects grew 1% to its highest level since July 2006 as single-family home building, as well as home renovations, increased. Investment in private non-residential structures bounced 0.9%. Public construction spending rose 0.8% to the highest level since March. Spending on state and local government construction projects increased 0.6%. Federal government construction spending leapt 3.1%.

Indonesia Economy – Indonesia recorded the inflation throughout 2016 reached 3.02%, lower than a year earlier at 3.35%, as government's controlled prices relatively stable, according to the Central Statistics Agency (BPS). BPS head Suhariyanto said that the monthly inflation in December stood at 0.42%, the lowest figure since 2010. Despite the food ingredient and processed food prices increased by 5.69% and 5.38% YoY respectively in December, the water, electricity and gas prices only rose by 1.90%, he added. Suhariyanto said that the clothing and health prices increased at 3.05% and 3.92% YoY. However, the transportation, communication, and financial service costs decreased by 0.72% YoY.

Equity Markets

	Closing	% Change
Dow Jones	19882	0.6
NASDAQ	5429	0.9
MSCI excl. Jap	2258	0.8
Nikkei	517	0.5
Hang Seng	19443	1.7
Nikkei	3136	1.0
MSCI excl. Jap	22201	0.2
STI	2907	0.3
JCI	5276	-0.4
Indo ETF (IDX)	21.36	0.6
Indo ETF (EIDO)	24.31	0.7

Currency

	Closing	Last Trade
US\$ - IDR	13476	13471
US\$ - Yen	117.75	117.92
Euro - US\$	1.0405	1.0399
US\$ - SG\$	1.4503	1.4493

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.66	-1.35	-2.50
Oil Brent	55.81	-1.28	-2.24
Coal Newcastle	90.5	-4.20	-4.44
Nickel	9910	-110	-1.1
Tin	20975	-150	-0.7
Gold	1158.2	3.00	0.26
CPO Rott	705		
CPO Malay	3198.5	-5.0	-0.16

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	7.12	-0.01	-0.18
3 year	7.55	-0.00	-0.05
5 year	7.62	-0.01	-0.13
10 year	7.94	-0.02	-0.20
15 year	8.22	0.00	0.00
30 year	8.60	0.04	0.43

CORPORATE NEWS

DMAS – PT Pura Delta Mas realized total sales of 52.9 ha of land in 2016. The company expects total land sales may reach 100 ha.

TOTL – PT Total Bangun Persada booked total contract IDR 2.79 trillion in 2016, 93% of total full year target of IDR 3 trillion.

WTON – PT Waskita Beton is allocating IDR 682 billion of capex in 2017, up from IDR 425 billion in 2016. The company plans to add 10 set batching plant and also expand its ready mix products with capex of IDR 120 billion. Separately, the company expects power plant may contribute up to 25% of total contracts in 2017 or equivalent to 25% of total contracts.

AHAP – PT Asuransi Harta Aman Pratama targets IDR 500 billion income from premium in 2017.

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