

DAILY UPDATE January 6, 2017

MACROECONOMIC NEWS

US Economy – Growth in the US service sector was steady during December. The ISM's non-manufacturing index held at 57.2 to remain at its highest level since October 2015. The production index edged down to 61.4 from 61.7. The new-orders index improved to 61.6 from 57.0. The employment index slid to 53.8 from 58.2. Twelve industries reported growth, led by mining and retail trade, compared to just three sectors that reported contraction.

US Jobs – Private-sector hiring slowed during December. Private payrolls increased 153,000 according to data from payroll processor Automatic Data Processing Inc. and forecasting firm Moody's Analytics. "Job growth remains strong but is slowing," said Mark Zandi, chief economist of Moody's Analytics. Ahu Yildirmaz, VP and head of the ADP research institute, noted that average private-sector jobs generated per month in 2016 was 174,000, down from 209,000 in 2015. "As we enter 2017, the tightening labor market will likely slow the growth," Yildirmaz said, adding that an "unprecedented seven years of growth has brought us to near full employment." The number of Americans who applied for first-time unemployment benefits tumbled last week. Initial jobless claims dived 28,000 to a seasonally adjusted 235,000 in the week ended December 31st - the lowest level since mid-November and the second lowest print since late 1973. The four-week moving average of claims dipped 5,750 to 256,750. Continuing unemployment claims, reflecting benefits drawn by workers for longer than a week, grew 16,000 to 2.112mln in the week ended Dec. 24.

UK Economy – The UK services purchasing managers index expanded at its fastest pace since July 2015 during December. The PMI improved to 56.2 from 55.2 in November.

CORPORATE NEWS

AUTO – PT Astra Otoparts aims for OEM and replacement sales to each contribute 50% to sales this year and onwards.

KRAS – PT Krakatau Steel targets sales volume up 13% to 2.6 million tons in 2017.

Equity Markets

	Closing	% Change
Dow Jones	19899	-0.2
NASDAQ	5488	0.2
MSCI excl. Jap	2269	-0.1
Nikkei	527	1.6
Hang Seng	19449	-0.4
Nikkei	3165	0.2
MSCI excl. Jap	22457	1.5
STI	2968	0.5
JCI	5326	0.5
Indo ETF (IDX)	21.90	1.5
Indo ETF (EIDO)	24.82	1.3

Currency

	Closing	Last Trade
US\$ - IDR	13367	13353
US\$ - Yen	115.35	115.92
Euro - US\$	1.0607	1.0585
US\$ - SG\$	1.4283	1.4316

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.73	0.56	1.05
Oil Brent	56.86	0.54	0.96
Coal Newcastle	85.7	-2.90	-3.27
Nickel	10295	75	0.7
Tin	21075	-70	-0.3
Gold	1178.0	6.91	0.59
CPO Rott	705		
CPO Malay	3253.5	-5.0	-0.15

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.51	-0.05	-0.79
3 year	7.40	-0.01	-0.15
5 year	7.46	-0.02	-0.21
10 year	7.74	-0.00	-0.03
15 year	8.05	0.00	0.00
30 year	8.62	0.01	0.10

CORPORATE NEWS – cont'd

PGAS – PT Perusahaan Gas Negara targets 1Q2017 to finish the construction of a 11.5 kilometers natural gas pipe network in Gresik.

INAF – PT Indofarma considers to divest its subsidiary, PT Indofarma Global Medika (worth up to IDR 300 billion), to strengthen its working capital.

SSIA – PT Surya Semesta Internusa may allocate 2017 capex of IDR 1.5 trillion.

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