

DAILY UPDATE January 9, 2017

MACROECONOMIC NEWS

China Economy – China’s foreign currency holdings fell for a sixth month in December, bringing last year’s drop to USD 320 billion as the yuan posted its steepest annual slide in more than two decades. Reserves decreased USD 41.1 billion to a fresh five-year low of USD 3.01 trillion, the People’s Bank of China said. That was in line with estimates in Bloomberg’s survey of economists. The central bank’s effort to stabilize the yuan was the main reason for the drop last year, the State Administration of Foreign Exchange said in a statement. The world’s largest stockpile has fallen for 10 straight quarters from a record USD 4 trillion in June 2014, while eroding confidence in the yuan has pushed the currency to the lowest levels in eight years.

US Jobs – U.S. nonfarm payrolls came in shy of expectations last month however a jump in wages pointed to sustained labor market momentum. Nonfarm payrolls rose a seasonally adjusted 156,000. Employers hired 19,000 more workers than previously reported in October and November. For 2016 the economy added just 2.16mln jobs, the smallest gain for a calendar year since 2011. Job gains were broad. Manufacturing payrolls rose 17,000 after they had declined for four straight months. Construction payrolls dipped 3,000. Retail sector employment increased 6,300. Healthcare and social assistance employment jumped 63,300. Restaurants and bars hired 29,600 workers. Government payrolls rose 12,000. The unemployment rate edged up to 4.7% from November’s nine-year low of 4.6%. The broader ‘U-6’ measure of unemployment and underemployment, which includes those who have stopped looking and those in part-time jobs who want full-time positions, edged down to 9.2% (Nov: 9.3%), the lowest since 2008. The labor-force participation rate crept up to 62.7% from 62.6% yet remained within arm’s reach of its four-decade low.

US Economy – The U.S. trade deficit widened further during November. The trade gap for goods and services leapt 6.8% MoM to a seasonally adjusted \$45.24bln (Mkt est: deficit-\$45.6bln), its highest level since February. Exports fell 0.2% MoM. Exports of capital goods fell to the lowest level since September 2011. Imports rose 1.1% to the highest level since August 2015. Both petroleum imports and exports were the highest since the summer of 2015.

Equity Markets

| | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones | 19964 | 0.3 |
| NASDAQ | 5521 | 0.6 |
| MSCI excl. Jap | 2277 | 0.4 |
| Nikkei | 527 | -0.0 |
| Hang Seng | 19454 | -0.3 |
| Nikkei | 3154 | -0.4 |
| MSCI excl. Jap | 22503 | 0.2 |
| STI | 2971 | 0.3 |
| JCI | 5347 | 0.4 |
| Indo ETF (IDX) | 21.82 | -0.4 |
| Indo ETF (EIDO) | 24.68 | -0.6 |

Currency

| | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR | 13371 | 13379 |
| US\$ - Yen | 117.02 | 117.25 |
| Euro - US\$ | 1.0532 | 1.0537 |
| US\$ - SG\$ | 1.439 | 1.4398 |

Commodities

| | Last | Price Chg | %Chg |
|----------------|--------|-----------|-------|
| Oil NYMEX | 53.78 | -0.21 | -0.39 |
| Oil Brent | 56.95 | -0.15 | -0.26 |
| Coal Newcastle | 83.5 | -2.20 | -2.57 |
| Nickel | 10245 | -50 | -0.5 |
| Tin | 21005 | -70 | -0.3 |
| Gold | 1175.4 | 2.51 | 0.21 |
| CPO Rott | 705 | -45.0 | -6.00 |
| CPO Malay | 3256 | 2.5 | 0.08 |

Indo Gov. Bond Yields

| | Last | Yield Chg | %Chg |
|---------|------|-----------|-------|
| 1 year | 6.51 | -0.06 | -0.87 |
| 3 year | 7.36 | -0.06 | -0.76 |
| 5 year | 7.44 | 0.01 | 0.12 |
| 10 year | 7.79 | 0.04 | 0.52 |
| 15 year | 8.07 | -0.02 | -0.26 |
| 30 year | 8.62 | 0.01 | 0.10 |

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CORPORATE NEWS

SSIA – PT Surya Semesta Internusa targets land sales of 21 Hectares in 2017 compared to 30 Hectares target in 2016.

WIKA – PT Wijaya Karya targets divestment of their subsidiary to be finalized on 1Q2017.

AUTO – PT Astra Otoparts targets 5% and 10% growth for revenue and net sales respectively on 2017.

PTBA – PT Bukit Asam booked coal sales of 20.1 Tons in 2016, achieving 4.85% compared to 2015.

JSMR – PT Jasa Marga allocated capital expenditure budget of IDR 26.90 Trillion this year to support construction of three toll projects.

BPFI – PT Batavia Prosperindo Finance will issue 221.9 million new shares (rights issue's ratio 613:100) at IDR 284 per share.

GWSA – PT Greenwood Sejahtera considers issuing new shares as much as 15% of shares outstanding.

BMRI – PT Bank Mandiri is targeting 13% loan growth in 2017.

AKRA – PT AKR plans to claim unpaid receivables from coal company PT Kapuas Tunggal Persada of IDR 19.6 billion through court.

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