

DAILY UPDATE January 10, 2017

MACROECONOMIC NEWS

US Economy – The Federal Reserve's December labor-market-conditions index declined for the first time since March. The index, a compilation of 19 labor market measures, fell to negative-0.3 from an upwardly revised +2.1 in November.

The Fed – Boston Federal Reserve President Eric Rosengren called on the FOMC to accelerate the pace of interest rate increases. "I expect that appropriate monetary policy will need to normalise more quickly than over the past year," Rosengren said. Rosengren said inflation is on track to reach the Fed's 2% target by the end of this year and if the unemployment rate falls further inflation could overshoot that target, "which would place the economic recovery at risk." "My own forecast is that we will achieve both elements of the dual mandate by the end of 2017, and as a result, I believe that a still gradual but somewhat more regular increase in the federal funds rate will be warranted," he said.

German Economy – German industrial production rose for a second successive month during November. Industrial output grew 0.4% MoM driven by a 1.5% jump in construction output, the strongest monthly gain since February.

Indonesia Economy – Indonesia's foreign exchange reserves increased by USD 4.9 billion at the end of December, thanks to strong capital inflows into the country's financial markets and an influx of revenue from the oil and gas sector. Data released by Bank Indonesia shows that foreign exchange reserves rose to USD 116.4 billion in December from USD 111.5 billion a month earlier. The central bank said in a statement that a successful global bonds sale last month, an influx of dollars from tax revenue and export proceeds from the oil and gas sector, withdrawals of foreign debt by the government at the end of the year, and additional tax revenue contributed to the forex rise in December. December's reserve level is adequate to cover about 8.8 months of imports, or 8.4 months of imports and servicing of government external debt repayments, Bank Indonesia said.

Equity Markets

	Closing	% Change
Dow Jones	19887	-0.4
NASDAQ	5532	0.2
MSCI excl. Jap	2269	-0.4
Nikkei	527	-0.2
Hang Seng	19407	-0.2
Nikkei	3166	-0.1
MSCI excl. Jap	22570	0.1
STI	2983	0.1
JCI	5316	-0.6
Indo ETF (IDX)	21.75	-0.3
Indo ETF (EIDO)	24.57	-0.4

Currency

	Closing	Last Trade
US\$ - IDR	13362	13316
US\$ - Yen	116.03	116
Euro - US\$	1.0574	1.0586
US\$ - SG\$	1.4363	1.4364

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.06	-1.72	-3.20
Oil Brent	55.03	-1.92	-3.37
Coal Newcastle	82.05	-1.45	-1.74
Nickel	10390	145	1.4
Tin	21120	115	0.5
Gold	1182.1	6.75	0.57
CPO Rott	705		
CPO Malay	3214	-42.0	-1.29

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.52	-0.02	-0.26
3 year	7.32	-0.01	-0.14
5 year	7.43	-0.01	-0.13
10 year	7.77	-0.01	-0.17
15 year	8.11	-0.01	-0.12
30 year	8.56	-0.07	-0.77

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CORPORATE NEWS

TINS – PT Timah considers issuing bonds more than IDR 500 billion this year to finance this year capex (IDR 1.5 trillion).

SMGR – PT Semen Indonesia is expected to book net profit IDR 4.01 trillion in 2016, down from IDR 4.52 trillion in 2015.

WSKT – PT Waskita Karya has been appointed as the contractor for the 33 kilometre toll project between Salatiga and Solo with contract valued at IDR 2.7 trillion.

PTPP – PT PP to finalize bonds issuance of IDR 1 Trillion in 2017.

BTEK – PT Bumi Teknokultura Unggul targets revenue and net profit growth of 20% in 2017.

HITS – PT Humpuss Intermoda Transportasi is still under negotiation with a number of investors for treasury stock sales of 309.22 Million shares.

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