

## DAILY UPDATE March 6, 2017

### MACROECONOMIC NEWS

**US Economy** – Service sector activity in the US unexpectedly strengthened in February, registering an 85<sup>th</sup> consecutive month of growth and bolstering optimism over the US economy, industry data showed. In a report, the ISM said its non-manufacturing PMI unexpectedly rose to 57.6 in February from the prior month's reading of 56.5. The Non-Manufacturing Business Activity Index increased to 63.6, 3.3 points higher than January's reading of 60.3. The New Orders Index registered 61.2 in February, 2.6 points higher than the reading of 58.6 in the previous month. The Employment Index increased 0.5 points to 55.2 last month from January's reading of 54.7. The Prices Index decreased 1.3 points to 57.7 in February from the prior month's reading of 59.0.

**The Fed** – The US Federal Reserve's long-stalled 'liftoff' of interest rates may finally get airborne this year as policymakers from Chair Janet Yellen on Friday to regional leaders across the United States signaled that the era of easy money is drawing to a close. Yellen capped off a seemingly coordinated push from the central bank on Friday when she cemented the view that the Fed will raise interest rates at its next meeting on March 14-15, and likely be able to move faster after that than it has in years. "At our meeting later this month, the committee will evaluate whether employment and inflation are continuing to evolve in line with our expectations, in which case a further adjustment of the federal funds rate would likely be appropriate," Yellen said at a business luncheon in Chicago. "The process of scaling back accommodation likely will not be as slow as it was in 2015 and 2016," she added.

### CORPORATE NEWS

**BBNI** – PT BNI Asset Management, a subsidiary of PT Bank Negara Indonesia plans to issue several REIT products with value of IDR 400 billion. The instrument is scheduled for issuance in 2H17. On a separate matter, BBNI joins PT Bank BNI Syariah to provide IDR 816 billion loan to PT Jasamarga Manado.

**BJBR** – PT Bank Pembangunan Daerah Jabar Banten targets 29-30% increase of micro loan on this year. SME's credit interest is set at 8.55%, lower than KUR's interest which is set at 9%.

### Equity Markets

	Closing	% Change
Dow Jones	21006	0.0
NASDAQ	5871	0.2
MSCI excl. Jap	2383	0.1
Nikkei	559	-0.9
Hang Seng	19381	-0.5
Nikkei	3218	-0.4
MSCI excl. Jap	23553	-0.7
STI	3127	0.1
JCI	5391	-0.3
Indo ETF (IDX)	21.83	0.7
Indo ETF (EIDO)	24.66	0.8

### Currency

	Closing	Last Trade
US\$ - IDR	13383	13361
US\$ - Yen	114.04	113.81
Euro - US\$	1.0622	1.0609
US\$ - SG\$	1.4107	1.4102

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.12	-0.21	-0.39
Oil Brent	55.72	-0.18	-0.32
Coal Newcastle	80.95	-1.25	-1.52
Nickel	10990	210	1.9
Tin	19500	150	0.8
Gold	1233.7	-0.88	-0.07
CPO Rott	685	3.8	0.55
CPO Malay	2977	36.5	1.24

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.66	-0.01	-0.14
3 year	7.16	0.01	0.07
5 year	7.26	0.01	0.14
10 year	7.50	-0.01	-0.17
15 year	7.84	0.00	0.01
30 year	8.41	0.01	0.07

## CORPORATE NEWS – cont'd

**BRPT** – PT Barito Pacific targets to be a majority owner on the share acquisition of Star Energy Group Holding Pte. Ltd. The Company is negotiating USD 300 million of bank syndication loan to fund this transaction.

**ANTM** – PT Aneka Tambang reported 2016 financial results:

ANTM (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	10,532	9,106	-13.5%	2,283	2,661	16.6%
Gross Profit	195	852	336.5%	246	486	98.1%
Operating Profit	-701	8		57	201	250.7%
Pretax Earnings	-1,669	237		33	103	213.2%
Net Income	-1,441	65		27	27	-2.6%
EPS (USD)	-59.9	2.7		1.1	1.1	-2.6%
<i>Gross Profit Margin</i>	<i>1.9%</i>	<i>9.4%</i>	<i>7.5%</i>	<i>10.8%</i>	<i>18.3%</i>	<i>7.5%</i>
<i>Operating Profit Margin</i>		<i>0.1%</i>		<i>2.5%</i>	<i>7.6%</i>	<i>5.1%</i>
<i>Net Profit Margin</i>		<i>0.7%</i>		<i>1.2%</i>	<i>1.0%</i>	<i>-0.2%</i>

**ITMG** – PT Indo Tambangraya Megah prepares to do mining acquisition due to the diminution of coal reserve owned by its 2 subsidiaries, PT Jorong Barutama Greston and PT Kitadin. PT Jorong Barutama Greston and PT Kitadin owned 1 million tons and 3.4 million tons of coal reserves, respectively, as of 31 December of 2016.

**CTRA** – PT Ciputra Development targeted 5% growth in its hotel business. The overall occupancy rate target is at around 70%, yet for 5-star hotel such as Hotel Raffles Jakarta, the occupancy rate is expected to be at 50%.

**PPRO** – PT PP Properti established a JV with PT Aryan Indonesia as of 1 March 2017. The two companies agreed to develop recreational park Kidzania in Lagoon Avenue, Sungkono-Surabaya. The amount of capex required for the project is IDR 92 billion, hence PPRO contributed IDR 45 billion or 49% from total.

**PTPP** – PT PP plans to conduct IPO for 3 of its subsidiaries this year: PT PP Peralatan, PT PP Pracetak dan PT PP Energi. The company plans to let go 30-35% of new shares to the public with target fund from issuance amounting to IDR 3.2 trillion. The IPO for PT PP Peralatan is expected to be completed no later than July. Meanwhile, the IPO for PT PP Pracetak is scheduled for completion in 3Q17 with 30-35% of new shares to be held by the public and target issuance of IDR 3.2 trillion. Lastly, IPO for PT PP Energi will be conducted in 4Q17. The total target issuance is estimated to be around IDR 1.5 trillion.

**TLKM** – PT Telekomunikasi Indonesia disclosed its FY2016 financial results

TLKM (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	102,470	116,333	13.5%	29,734	30,145	1.4%
Operating Profit	32,418	39,195	20.9%	11,134	8,174	-26.6%
Pretax Earnings	31,342	38,189	21.8%	10,119	8,572	-15.3%
Net Income	15,489	19,352	24.9%	4,802	4,701	-2.1%
EPS (IDR)	158.0	197.0	24.9%	48.9	47.9	-2.1%
<i>Operating Profit Margin</i>	<i>31.6%</i>	<i>33.7%</i>	<i>2.1%</i>	<i>37.4%</i>	<i>27.1%</i>	<i>-10.3%</i>
<i>Net Profit Margin</i>	<i>15.1%</i>	<i>16.6%</i>	<i>1.5%</i>	<i>16.1%</i>	<i>15.6%</i>	<i>-0.6%</i>

**MNCN** – PT Media Nusantara Citra targeted an increase of revenue of 8.6% this year. The company will also be focusing on refinancing loan of USD 150 million that will be due this year. Amount of capex in 2017 has also been reduced by USD 20-30 million from last year's allocation of IDR 1 trillion to IDR 266-400 billion.

## CORPORATE NEWS – cont'd

**AGRO** – PT Bank Rakyat Indonesia Agroniaga plans to issue new shares as much as 50% of shares outstanding, subject to shareholders approval on 12th of April 2017. AGRO will use the proceeds to strengthen its capital.

**BPFI** – PT Batavia Prosperindo Finance targets IDR 53.9 billion of net profit and IDR 1.38 trillion of new financing on 2017, or 55.8% and 64.28% increase respectively compared to last year. The company has set 80% dividend payout ratio of 2016 net income.

**HDFA** – PT Radana Bhaskara Finance obtained IDR200 billion loan from PT Bank KEB Hana Indonesia. Credit agreement between the two companies was signed on 3 March 2017.

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