

## DAILY UPDATE March 8, 2017

### MACROECONOMIC NEWS

**US Economy** – The US incurred the largest trade deficit in nearly five years during January. The trade balance for goods and services surged 9.6% MoM to a seasonally adjusted USD 48.49 billion, the highest monthly deficit print since Mar-12. Imports leapt 2.3% to USD 240.6 billion due to demand for capital goods, autos, and oil. The imports of autos and parts were the highest ever. Imports of crude oil were the highest since Jul-13 while the price per barrel was the highest since Aug-15. Exports of petroleum were the highest in dollar terms since May-15. Exports grew 0.6% to USD 192.1 billion. Increases in exports of industrial supplies and materials and passenger cars were partly offset by a drop in exports of capital goods. On an inflation-adjusted basis, both goods exports and goods imports were the highest on record.

**Australia Economy** – The Reserve Bank of Australia has left rates on hold at its second board meeting of the year, amid contrasting signs on the strength of the local economy. The central bank met expectations by leaving the cash rate at the record low 1.5%, the level at which it has remained since August. A sixth straight hold follows on the heels of two cuts in swift succession across May and August that had forced some economists to ponder the potential for quantitative easing (QE) measures, given there was little room for further cuts.

**Indonesia Economy** – Inflows into Indonesia pushing foreign reserves higher are expected to help Indonesia fend off risks stemming from global economic uncertainty. Bank Indonesia reported that the amount of foreign reserves reached USD 119.9 billion in February, equal to 8.5 months of imports and the government's foreign debt payments. The February figure was higher than the USD 116.9 billion seen in January. The increase in foreign reserves was mainly driven by inflows of foreign currencies, particularly tax revenues and export proceeds from oil and gas, withdrawal of the government's foreign loans and the proceeds of BI's foreign exchange securities (SBBI) auctions. The central bank claims the foreign reserves have reached a "very safe" level, attributing the figure to its improved currency management compared to two years ago.

### Equity Markets

	Closing	% Change
Dow Jones	20925	-0.1
NASDAQ	5834	-0.3
MSCI excl. Jap	2368	-0.3
Nikkei	564	0.6
Hang Seng	19219	-0.6
Nikkei	3241	-0.1
MSCI excl. Jap	23627	-0.2
STI	3135	0.1
JCI	5403	-0.1
Indo ETF (IDX)	21.85	-0.5
Indo ETF (EIDO)	24.75	-0.3

### Currency

	Closing	Last Trade
US\$ - IDR	13350	13345
US\$ - Yen	113.98	113.81
Euro - US\$	1.0566	1.057
US\$ - SG\$	1.4113	1.4103

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.81	-0.39	-0.73
Oil Brent	55.61	-0.38	-0.68
Coal Newcastle	79.25	-0.95	-1.18
Nickel	10645	-450	-4.1
Tin	19375	-75	-0.4
Gold	1218.0	-7.50	-0.61
CPO Rott	675	-5.0	-0.74
CPO Malay	2996	21.5	0.72

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.68	0.00	0.02
3 year	7.15	-0.00	-0.03
5 year	7.25	0.00	0.03
10 year	7.45	0.00	0.01
15 year	7.81	-0.01	-0.06
30 year	8.41	0.01	0.07

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## CORPORATE NEWS

**BBCA** – PT BCA Finance recorded new booking of IDR 4.8 trillion as of end February 2017. The number has increased by 3.8% YoY from 2016's realization of IDR 4.6 trillion.

**BBRI** – PT Bank Rakyat Indonesia prepares IDR 1 trillion fund to absorb BRI Agro's right issue. BRI Agro plans to issue 7.69 billion new shares. Through the right issue, BRI Agro wants to increase the portion of public ownership to 10%.

**BBTN** – PT Bank Tabungan Negara obtains positive signal from shareholders to do acquisition of PT Danareksa's subsidiaries, which are PT Danareksa Investment Management and PT Danareksa Finance. However, the acquisition will have to wait the consolidation process of Indonesian SOE's banks.

**UNTR** – PT United Tractors targets sales of 2,700 units in 2017, up 23% from realization last year. After net profit correction in 2015, UNTR saw an improvement last year. While sales dropped 8% YoY, UNTR successfully booked IDR 5 trillion net profit, up 30% YoY. In January 2017 alone, coal sales have reached 985,000 tons, up 74.6% YoY or 202% MoM.

**ADRO** – PT Adaro Energy reported 2016 financial results:

ADRO (USD mn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	2,684	2,524	-6.0%	602	746	23.8%
Gross Profit	543	685	26.1%	163	220	34.9%
Operating Profit	410	534	30.2%	128	177	38.2%
Pretax Earnings	280	547	95.2%	135	197	46.4%
Net Income	152	335	119.5%	87	126	44.3%
EPS (USD)	0.00477	0.01046	119.5%	0.00272	0.00392	44.3%
<i>Gross Profit Margin</i>	<i>20.2%</i>	<i>27.1%</i>	<i>6.9%</i>	<i>27.0%</i>	<i>29.5%</i>	<i>2.4%</i>
<i>Operating Profit Margin</i>	<i>15.3%</i>	<i>21.2%</i>	<i>5.9%</i>	<i>21.2%</i>	<i>23.7%</i>	<i>2.5%</i>
<i>Net Profit Margin</i>	<i>5.7%</i>	<i>13.3%</i>	<i>7.6%</i>	<i>14.4%</i>	<i>16.8%</i>	<i>2.4%</i>

**KRAS** – PT Krakatau Steel targets 2.7 million tons of sales or 20% increase compared to last year. The Company estimates that it will supply 225,000 tons of steel for the development of 36 km Jakarta-Cikampek toll road during 10 months. The Company also plans to supply steel for the new electric transmission project. This year, KRAS allocates USD 200 million capex.

**CTRA** – PT Ciputra Development plans to develop a new mixed-use project in Puri Indah, West Jakarta with total area of 2 ha. The apartment is scheduled for launching in 2H17. The segment market is for the middle class with ASP of IDR 30-35 million per sqm.

**PWON** – PT Pakuwon Jati estimates that its retail leasing segment will contribute 45% of revenue on 2017, higher than 40% contribution on last year. The increment is due to the opening of two new malls by this year, which are Pakuwon Mall and Tunjungan Plaza VI Mall, both located on Surabaya.

**ADMF** – PT Adira Dinamika Multi Finance this year plans to seek financing of approximately IDR 13-14 trillion. The fund will be utilized to support outlay this year that is projected to increase by 5-10%. The majority of funding will come from joint financing, accounting 60% of total funding, while the rest will be derived from obligation and syndicated loan.

## CORPORATE NEWS – cont'd

**MTFN** – PT Capitalinc Investment acquired PT Indo Kilang Prima as of 3 March 2017. The acquisition value amounts to IDR 11 billion. PT Indo Kilang Prima's main business is in downstream sector of oil and natural gas.

**GREN** – PT Evergreen Invesco plans to issue 50 billion new shares in relation to right issue. The right issue is scheduled for completion in May 2017. General Shareholder Meeting will be held today. The proceeds from right issue will be used to finance its subsidiaries and repay loan.

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