

## DAILY UPDATE March 9, 2017

### MACROECONOMIC NEWS

**US Economy** – Private-sector hiring surged during February. National private payrolls soared 298,000 according to payroll processor Automatic Data Processing Inc. and forecasting firm Moody's Analytics. Non-farm productivity improved at an annualized 1.3% rate in Q4, in-line with the initial estimate last month, down from the 3.3% growth rate in Q3. Productivity increased just 0.2% YoY for the year, the smallest increase since 2011. Productivity has now increased at an average annual rate of 0.6% over the last five years, well below its long-term rate of 2.1% from 1947 to 2016. Unit labor costs, the price of labor per single unit of output, rose at an unrevised 1.7% pace. For 2016 unit labor costs rose 2.6%. On a separate note, US wholesale inventories pulled back from their strong performance in December. Wholesale inventories edged down 0.2% during January having leapt 1% a month earlier. Inventories of durable goods dipped 0.2% to reflect a steep drop in automotive inventories. Wholesale sales inched down 0.1% having spiked 2.4% in December.

**German Economy** – German industrial output grew 2.8% MoM, the strongest monthly increase since Aug-16, from a revised contraction of 2.4% in December. The improvement was driven by a 3.7% jump in manufacturing output, with demand for machinery, vehicles and other capital goods soaring 6.1%, the strongest monthly increase since Aug-13.

**China Economy** – China unexpectedly posted its first trade gap in three years in February as a construction boom pushed imports much higher than expected and as increasing US protectionist rhetoric casts a spotlight on the export giant's trade position. The upbeat import reading reinforced the growing view that economic activity in China picked up in the first two months of the year, adding to a global manufacturing revival. The surprise monthly deficit also comes as US President Donald Trump focuses increased attention on China's large and persistent run on trade surpluses with the US and as global efforts to ward off trade protectionism face growing difficulties. China's imports surged 38.1% YoY, the biggest increase since February 2012, official data showed, while exports unexpectedly fell 1.3%. That left the country with a trade deficit of USD 9.15 billion for the month, the General Administration of Customs said.

### 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

## CORPORATE NEWS

**MLBI** – PT Multi Bintang announced its FY 2016 financial results:

MLBI (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue (NET)	2,696	3,263	21.0%	760	966	27.1%
Gross Profit	1,561	2,148	37.6%	556	646	16.3%
Operating Profit	940	1,373	46.0%	336	406	20.8%
Pretax Earnings	676	1,320	95.4%	323	399	23.4%
Net Income	497	982	97.7%	233	303	30.0%
EPS (IDR)	235.7	466.0	97.7%	110.5	143.8	30.0%
<i>Gross Profit Margin</i>	<i>57.9%</i>	<i>65.8%</i>	<i>7.9%</i>	<i>73.1%</i>	<i>66.9%</i>	<i>-6.2%</i>
<i>Operating Profit Margin</i>	<i>34.9%</i>	<i>42.1%</i>	<i>7.2%</i>	<i>44.3%</i>	<i>42.1%</i>	<i>-2.2%</i>
<i>Net Profit Margin</i>	<i>18.4%</i>	<i>30.1%</i>	<i>11.7%</i>	<i>30.7%</i>	<i>31.4%</i>	<i>0.7%</i>

**TLKM** – PT Telekomunikasi Indonesia targeted revenue to grow by 10% this year. The company also allocates IDR 23.26 trillion – 29.08 trillion capex, similar to last year’s allocation. 60% of capex will be utilized for expansion in mobile industry, 30% to build broadband infrastructure while the other 10% is going to be used for other infrastructure.

**ACES** – PT Ace Hardware Indonesia allocates IDR 300 trillion capex this year for additional new stores. As of March 2017, the company has only added 1 new store. The capex will be derived from internal cash.

**CTRA, MYRX** – PT Ciputra Development, through its subsidiary, PT Ciputra Residence plans to start developing its commercial project in Citra Maja Raya, Banten this year. Ciputra is working with PT Hanson International Indonesia (MYRX) in building the 2000-hectare project.

**PPRO** – PT PP Properti targets to operate at least 9 hotels on 2021 to achieve the 15% contribution of recurring income to total revenue. This year, the Company plans to build 2 new hotels on Labuan Bajo and Lombok, with total investment of IDR 200 billion. Moreover, PPRO plans to spin-off its hospitality division by the end of 2018. However, before the spin-off the company will expand the hospitality division’s assets to IDR 2 trillion. In addition, PPRO decided to distribute IDR 73 billion dividend or IDR5.19 per each share in 10 April 2017. The dividend payout ratio is 20% from 2016’s net income of IDR 365 billion. The company also allocates ODR 1.6 trillion capex this year.

**PRDA** – PT Prodia Widyahusada allocates IDR 400 billion of capital expenditures on this year. The Company plans to expand its special health services. For the next 4-5 years, the company targeted 13 new stores for special health services: 5 units for Children Health Center, 4 units for Women’s Health Center and 4 units for Senior Health Center.

**BAYU** – PT Bayu Buana plans to enter the property business by targeting to own hotel outside Java island. However, this plan will depend on the national hotel occupancy performance during the year. The Company also plans to add new 7-8 self-owned branches located on Jabodetabek and 4-5 franchise branches located outside Java.

**BEKS** – PT Bank Pembangunan Daerah Banten’s total assets reached IDR 6.49 trillion as of February 2017 or 17.4% YoY higher due to an increase in productive assets. Asides from asset, credit and third party fund increased to IDR 3.32 trillion and IDR 5.3 trillion (+10.38%) respectively.

**BSWD** – PT Bank of India Indonesia plans to complete the right issue process in 2Q17 or 3Q17. The Company has obtained IDR 500 billion from IDR 660 billion of targeted funds. The CAR is targeted to increase to 38% from 35%.

## CORPORATE NEWS – cont'd

**BGTG** – PT Bank Ganesha booked IDR 39.2 billion of net profit on 2017, or 619% increase compared to last year. This increment is supported by IDR 160.9 billion of net interest income and IDR 19.1 billion of commission based income, or 68% and 5% of increase, respectively.

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