

DAILY UPDATE March 14, 2017

MACROECONOMIC NEWS

US Economy – The Conference Board’s basket of U.S. employment indicators - the Employment Trends Index - rose 1.1% to 131.39 in February from a downwardly revised 129.91 in January. YoY the index jumped 3.1%. The MoM increase was fuelled by positive contributions from all eight components led by Percentage of Respondents Who Say They Find "Jobs Hard to Get" and Initial Claims for Unemployment Insurance. "The Employment Trends Index increased sharply in February, with positive contributions from each of its eight components, providing more evidence that job growth is accelerating," said Gad Levanon, Chief Economist, North America, at The Conference Board. "It seems that higher business confidence is carrying over to hiring. As a result, in 2017 labor supply constraints will be strongly felt across many industries and locations."

UK Economy – British business sentiment rebounded from a four-year low in February to hit the highest level since mid-2015. A net 52% of firms forecast activity to grow in the next 12 months, the first print above 50 since June 2015.

ECB – “European Central Bank policy makers considered the question of whether interest rates could rise before their bond-buying program comes to an end, according to people familiar with the matter. Governing Council members meeting on March 9 exchanged views on ways of communicating and sequencing an exit from unconventional stimulus, euro-area central-bank officials said, asking not to be identified because the deliberations were private. The council did not discuss any specific scenario or timeline and has not made any formal decisions on a strategy.” The euro rose, continental sovereign bonds tumbled and stocks erased earlier gains.

CORPORATE NEWS

CMNP – PT Citra Marga Nusaphala Persada is currently selecting underwriter candidates for its convertible bond issuance plan. Emission of bond is part of the company’s aim to raise IDR 20 trillion fund. For the convertible bond, the company plans to issue 10.9 billion of new shares. The proceed will be used to fund CMNP’s projects for the next three years

Equity Markets

	Closing	% Change
Dow Jones	20881	-0.1
NASDAQ	5876	0.2
MSCI excl. Jap	2373	0.0
Nikkei	567	1.2
Hang Seng	19624	-0.1
Nikkei	3237	0.8
MSCI excl. Jap	23830	1.1
STI	3148	0.0
JCI	5409	0.3
Indo ETF (IDX)	21.87	0.5
Indo ETF (EIDO)	24.78	0.6

Currency

	Closing	Last Trade
US\$ - IDR	13356	13363
US\$ - Yen	114.88	114.83
Euro - US\$	1.0653	1.0653
US\$ - SG\$	1.4142	1.4155

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	48.29	0.22	0.46
Oil Brent	51.25	0.23	0.45
Coal Newcastle	81.1	2.35	2.98
Nickel	10170	275	2.8
Tin	19450	100	0.5
Gold	1203.0	-1.80	-0.15
CPO Rott	645	-17.5	-2.64
CPO Malay	2946	-45.5	-1.52

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.53	0.00	0.02
3 year	7.10	-0.01	-0.07
5 year	7.25	0.00	0.01
10 year	7.48	-0.00	-0.03
15 year	7.80	0.00	0.00
30 year	8.41	0.01	0.07

CORPORATE NEWS – cont'd

PNBN – PT Bank Pan Indonesia will issue subdebt of IDR 2.4 trillion that offers coupon of 10.25% p.a. with seven-years tenor.

PANS – PT Panin Sekuritas announced its FY 2016 financial results::

PANS (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	337	548	62.7%	179	78	-56.1%
Operating Profit	115	339	193.6%	134	29	-78.4%
Pretax Earnings	109	311	185.6%	124	22	-82.6%
Net Income	63	254	302.6%	107	5	-95.5%
EPS (IDR)	88	353	302.6%	148	7	-95.5%
<i>Operating Profit Margin</i>	<i>34.3%</i>	<i>61.9%</i>	<i>27.6%</i>	<i>75.3%</i>	<i>37.0%</i>	<i>-38.3%</i>
<i>Net Profit Margin</i>	<i>18.8%</i>	<i>46.4%</i>	<i>27.7%</i>	<i>59.7%</i>	<i>6.1%</i>	<i>-53.6%</i>

WTON - PT Wijaya Karya Beton forecast new contract achievement of IDR 1.5 trillion in 1Q17 (+50% YoY) and revenue growth of 5% this year to reach IDR 6.3 trillion. The company targets 30% revenue contribution from energy sector. Up until today, the company has received new contract from power plant projects: Tanjung Lontar, Tanjung Jati, Batang and Cilacap, toll road projects: Lampung toll, Kunciran-Serpong toll road as well as LRT Jakarta

SRIL – PT Sri Rejeki Isman announced its FY16 result:

SRIL (USD '000)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	621,994	679,939	9.3%	127,692	181,242	41.9%
Gross Profit	133,415	145,351	8.9%	28,032	41,123	46.7%
Operating Profit	98,089	115,452	17.7%	21,070	35,851	70.2%
Pretax Earnings	64,585	66,028	2.2%	14,490	14,023	-3.2%
Net Income	55,661	59,366	6.7%	12,892	14,472	12.3%
EPS (IDR)	0.0030	0.0032	6.7%	0.0007	0.0008	12.3%
<i>Gross Profit Margin</i>	<i>21.4%</i>	<i>21.4%</i>	<i>-0.1%</i>	<i>22.0%</i>	<i>22.7%</i>	<i>0.7%</i>
<i>Operating Profit Margin</i>	<i>15.8%</i>	<i>17.0%</i>	<i>1.2%</i>	<i>16.5%</i>	<i>19.8%</i>	<i>3.3%</i>
<i>Net Profit Margin</i>	<i>8.9%</i>	<i>8.7%</i>	<i>-0.2%</i>	<i>10.1%</i>	<i>8.0%</i>	<i>-2.1%</i>

BDKI - PT Bank DKI received id A+ corporate rating from PEFINDO and upward revision for its outlook from stable to positive as asset quality has continually improved substantially. Whereas the company bond subordinate II Year 2011 still received id A rating, maintaining its previous rating.

GEMS - PT Golden Energy Mines increases the loan facility of its indirect subsidiary, PT Bungo Bara Utama, to IDR 200 billion in order to support its business in coal mining. The facility will mature on 31 December 2018 with interest rate of 12% p.a.

BNGA – PT Bank CIMB Niaga will spin off its sharia business unit before 2023. BNGA's sharia business unit currently has IDR 12.78 trillion of assets and it is targeted to reach IDR 30 trillion before the spin off.

BMRI – PT Bank Mandiri is strengthening its payroll business by tapping into both SOEs and private companies. So far, the three SMEs are PT Semen Indonesia, PT Telkom, and PT Kereta Api Indonesia, while the private company is PT Astra International.

CORPORATE NEWS – cont'd

BBCA – PT Bank Central Asia announces its FY 2016 results. The third party fund increases 11.9% to IDR 530.1 trillion. NPL gross increases to 1.3%, mostly comes from commercial and SME loan segment. Provision expense is amounting IDR 4.5 trillion, makes the provision to NPL coverage ratio is at 229.4%.

BBCA (IDR bn)	12M 2015	12M 2016	YoY	Q3 2016	Q4 2016	QoQ
Net Interest Income	35,892	40,215	12.0%	10,195	10,262	0.7%
Non Interest Income	15,522	16,262	4.8%	3,926	3,514	-10.5%
Other Operating Expense	28,756	30,638	6.5%	7,170	6,937	-3.2%
Operating Profit	22,657	25,839	14.0%	6,951	6,839	-1.6%
Net Income	18,019	20,606	14.4%	5,551	5,479	-1.3%
EPS (IDR) (diluted)	731	836	14.4%	226	222	-1.8%
CAR	18.7%	21.9%	17.4%	21.5%	21.9%	0.4%
NIM	6.7%	6.8%	1.3%	6.9%	6.8%	-0.1%
ROE	21.9%	20.5%	-6.4%	20.9%	20.5%	-0.4%
ROA	3.8%	4.0%	3.1%	4.0%	4.0%	0.0%
NPL (Gross)	0.7%	1.3%	81.9%	1.5%	1.3%	-0.2%
NPL(Net)	0.2%	0.3%	40.9%	0.4%	0.3%	-0.1%
LFR	81.1%	77.1%	-4.9%	77.3%	77.1%	-0.2%

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