

DAILY UPDATE March 20, 2017

MACROECONOMIC NEWS

China Housing – China home prices rose last month in more cities despite increased restrictions on property transactions by local authorities. New home prices, excluding subsidized housing, gained in February in 56 out of 70 cities tracked by the government, compared with 45 in January, the National Bureau of Statistics said Saturday. Prices climbed in 67 out of 70 cities from a year earlier, compared with 66 in January. China's biggest cities have seen a round of home price surges in the past year. In Beijing, new home prices rose 24% YoY in February, while Shanghai saw a 25 percent gain. Shenzhen prices increased 14% in the same period.

Russia Economy – The international rating agency Standard & Poor's has raised the outlook for Russia's sovereign credit rating to "positive" from "stable", confirming its long-term foreign currency credit rating at "BB +", according to the agency's press release. At the same time, the long-term credit rating in the national currency was affirmed at "BBB-". "The revision of the outlook reflects our expectation that GDP growth will return to positive territory and that the Russian economy will continue to adapt to the relatively low oil price environment, while maintaining its strong net external asset position and comparatively low net general government debt over 2017-2020. External pressures appear to have abated significantly over the last 12-18 months," the agency said. S&P expects GDP growth in Russia will pick up, averaging about 1.7% in 2017-2020, and it sees a lower risk of large capital outflows, therefore moderating external pressures.

Turkey Economy – Ratings agency Moody's cut its outlook for Turkey to "negative" from "stable", citing continuing erosion of its institutional strength - the latest hit for an emerging market struggling to win back investor favor. Once seen as one of the world's most promising emerging markets, Turkey has been hurt by deepening investor concerns about political uncertainty following last year's failed coup, as well as central bank independence and slowing growth. "The actions taken to reduce various forms of opposition to the government since July last year have undermined the country's administrative capacity and damaged private sector confidence," Moody's said in a statement.

Equity Markets

	Closing	% Change
Dow Jones	20915	-0.1
NASDAQ	5901	0.0
MSCI excl. Jap	2378	-0.1
Nikkei	583	0.4
Hang Seng	19522	-0.3
Nikkei	3237	-1.0
MSCI excl. Jap	24310	0.1
STI	3172	0.1
JCI	5540	0.4
Indo ETF (IDX)	22.63	0.7
Indo ETF (EIDO)	25.62	0.5

Currency

	Closing	Last Trade
US\$ - IDR	13345	13340
US\$ - Yen	112.7	112.62
Euro - US\$	1.0738	1.0751
US\$ - SG\$	1.402	1.4005

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	48.37	-0.41	-0.84
Oil Brent	51.46	-0.30	-0.58
Coal Newcastle	81.3	0.20	0.25
Nickel	10260	40	0.4
Tin	20290	140	0.7
Gold	1232.2	2.90	0.24
CPO Rott	663.75	-3.8	-0.56
CPO Malay	2994	17.0	0.57

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.58	-0.00	-0.02
3 year	6.95	0.00	0.00
5 year	7.04	-0.02	-0.31
10 year	7.21	-0.02	-0.25
15 year	7.62	-0.00	-0.05
30 year	8.33	-0.02	-0.28

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CORPORATE NEWS

BBTN – PT Bank Tabungan Negara will distribute 2016 dividend of IDR 45.46 per share (20% payout ratio). Cum dividend is on 24th of March 2017.

UNVR – PT Unilever Indonesia announced its FY 2016 financial results:

UNVR (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	36,484	40,054	9.8%	9,356	9,952	6.4%
Gross Profit	18,649	20,459	9.7%	4,812	5,156	7.2%
Operating Profit	7,944	8,707	9.6%	1,999	2,234	11.7%
Pretax Earnings	7,829	8,572	9.5%	1,949	2,208	13.3%
Net Income	5,852	6,391	9.2%	1,452	1,640	12.9%
EPS (IDR)	766.9	837.6	9.2%	190.3	215.0	12.9%
<i>Gross Profit Margin</i>	<i>51.1%</i>	<i>51.1%</i>	<i>0.0%</i>	<i>51.4%</i>	<i>51.8%</i>	<i>0.4%</i>
<i>Operating Profit Margin</i>	<i>21.8%</i>	<i>21.7%</i>	<i>0.0%</i>	<i>21.4%</i>	<i>22.4%</i>	<i>1.1%</i>
<i>Net Profit Margin</i>	<i>16.0%</i>	<i>16.0%</i>	<i>-0.1%</i>	<i>15.5%</i>	<i>16.5%</i>	<i>1.0%</i>

AISA – PT Tiga Pilar Sejahtera allocates 2017 capex of IDR 560 billion.

PGAS – PT Perusahaan Gas Negara reported 2016 financial results:

PGAS (USD mn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	3,069	2,935	-4.4%	716	779	8.8%
Gross Profit	963	887	-7.9%	219	222	1.7%
Operating Profit	762	433	-43.2%	140	39	-71.9%
Pretax Earnings	437	385	-12.0%	117	89	-24.1%
Net Income	401	304	-24.2%	90	62	-30.4%
EPS (USD)	0.0170	0.0130	-24.2%	0.0037	0.0026	-30.4%
<i>Gross Profit Margin</i>	<i>31.4%</i>	<i>30.2%</i>	<i>-1.2%</i>	<i>30.5%</i>	<i>28.5%</i>	<i>-2.0%</i>
<i>Operating Profit Margin</i>	<i>24.8%</i>	<i>14.7%</i>	<i>-10.1%</i>	<i>19.5%</i>	<i>5.0%</i>	<i>-14.5%</i>
<i>Net Profit Margin</i>	<i>13.1%</i>	<i>10.4%</i>	<i>-2.7%</i>	<i>12.5%</i>	<i>8.0%</i>	<i>-4.5%</i>

INTP – PT Indocement Tunggul Perkasa projects cement sales volume growth of 3 – 5% in 2017 to keep market share level of 26%. The company booked IDR 3.8 trillion revenue in 2016, declining 10.8% YoY.

SMBR – PT Semen Baturaja announced its FY 2016 financial results

SMBR (IDR bn)	2015	2016	YoY	Q3 2016	Q4 2016	QoQ
Revenue	1,461	1,523	4.2%	391	480	22.8%
Gross Profit	494	511	3.5%	137	179	30.6%
Operating Profit	331	321	-3.1%	85	107	26.2%
Pretax Earnings	443	349	-21.2%	95	115	20.6%
Net Income	354	259	-26.8%	72	84	16.8%
EPS (IDR)	36.0	26.3	-26.8%	7.3	8.6	16.8%
<i>Gross Profit Margin</i>	<i>33.8%</i>	<i>33.6%</i>	<i>-0.2%</i>	<i>35.1%</i>	<i>37.4%</i>	<i>2.2%</i>
<i>Operating Profit Margin</i>	<i>22.6%</i>	<i>21.1%</i>	<i>-1.6%</i>	<i>21.8%</i>	<i>22.4%</i>	<i>0.6%</i>
<i>Net Profit Margin</i>	<i>24.2%</i>	<i>17.0%</i>	<i>-7.2%</i>	<i>18.5%</i>	<i>17.6%</i>	<i>-0.9%</i>

GMTD – PT Gowa Makassar Tourism Development targets IDR 270 billion of revenue in 2017, declining by 6.89% comparing to last year's achievement due to slower property sales.

CORPORATE NEWS – cont'd

LINK – PT Link Net booked a growth in revenue and net income of 28% and 15% respectively. This is mainly driven by an increase in revenue generating unit (RGU) broadband and cable TV that recorded an increase of 15% to 1.02 million last year. As of 2016, the company has also added service to 153,000 new homes passed. As a result the total number of homes passed reached 1.83 million houses.

PANR – PT Panorama Sentrawisata, PT Weha Transportasi Indonesia, and PT Duta Chandra Kencana will sell their 29.38%, 9.9%, and 0.72% ownership of PT Panorama Tours Indonesia to Japan Travel Bureau (JTB) Corporation, respectively, by the end of this month. Total transaction will be amounting to IDR 491.35 billion. PANR will use 25% of the proceeds for business expansion, 20% for working capital, and 55% for reserve and capital restructurization.

SMGR – PT Semen Indonesia targets its cement factory in Rembang to start commercial operation on April 2017 with 1.7 million tons production. The supply from this factory will be used to fulfill demand from Central Java, West Java , and Banten.

WIKA – PT Wijaya Karya plans to approach several SOE banks to obtain a loan of IDR 4-5 trillion in 1H17. While the company has obtained shareholder's approval in General Shareholder Meeting regarding dividend distribution of IDR 1.01 trillion (30% dividend payout ratio) or IDR 33.86 per shares. The company also plans to spend IDR 3.6 trillion to develop industrial park in Banten, East Java, North Sulawesi and South Sulawesi.

WSKT – PT Waskita Karya plans to let go some of its shares in two of its subsidiaries and obtain IDR 10 trillion from the action. The proceed will be utilized for 2017's capex funding which is targeted to reach IDR 32 trillion. The company targeted IDR 7-8 trillion from the partial sales of PT Waskita Toll Road, however WSKT will remain to be the majority shareholder. WSKT has not yet disclosed further detail about the other subsidiary. As of February 2017, the Company has realized IDR 8.6 trillion of contracts, IDR 5.3 trillion of revenue and IDR 350 billion of net profit.

VRNA – PT Verena Multi Finance will issue 1.58 billion new shares (61.24 of shares outstanding) at IDR 112 per share with rights' ratio of 100:158.

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