

DAILY UPDATE August 29, 2017

MACROECONOMIC NEWS

The Fed – Fed Chairwoman Janet Yellen did nothing to dispel the market's expectation that the Fed will start shrinking the portfolio next month. Her remarks Friday focused instead on bank regulation in the post financial crisis era. President Donald Trump has vowed to roll back regulation across sectors, but Ms. Yellen defended the Fed's efforts since the crisis to toughen oversight of banks, which she said has bolstered lending and economic growth rather than hindered it. Rather than focusing on near-term monetary policy issues, most of the conference dealt with long-term challenges.

US Economy – Orders for big-ticket U.S. goods fell by the largest amount in three years in July, reversing a strong gain in the prior month, according to government data released Friday. The Commerce Department reported that orders for durable goods fell 6.8% in July, led by a sharp drop in volatile aircraft. It was the biggest decline since August 2014. This followed a 6.4% gain in June. Excluding transportation, orders for durable goods rose 0.5%, the third straight monthly gain.

Germany Economy – Data showed the German economy expanded 0.6% in the second quarter on strong private consumption and state spending. While the German Ifo business climate index slipped to 115.9 in August from 116 in July and vs mkt est of 115.7. In France consumer confidence fell to 103 from 104 in July in line with economists' forecasts.

Singapore Housing – After years of declines, Singapore's home sales are on a roll. Stringent stamp duties levied by the government have had the intended effect of damping speculative foreign demand, with foreign buyers accounting for just 6% of purchases in the first half. That compares with 9% as recently as 2013, when mortgage rules were tightened. Developers sold 7,147 private homes in the first seven months of the year, 50% higher yoy as Singaporeans dominate the buying. Among foreign buyers, the biggest pullback was by Malaysian and Indonesian buyers, while Chinese demand held steady. Malaysian buyers among foreign purchasers dropped from 26% in 2013 to 21% in the first half of this year, while the Indonesian proportion slid to 6% from 17% in 2013. The Chinese share, the biggest of any group, has been at 29% or 30% since 2013.

Equity Markets

	Closing	% Change
Dow Jones	21808	0.0
NASDAQ	6283	0.3
S&P 500	2444	0.0
MSCI excl. Jap	660	0.0
Nikkei	19348	-0.5
Shanghai Comp	3363	0.9
Hang Seng	27863	0.1
STI	3250	-0.5
JCI	5903	-0.2
Indo ETF (IDX)	24.32	-0.1
Indo ETF (EIDO)	27.17	-0.4

Currency

	Closing	Last Trade
US\$ - IDR	13340	13348
US\$ - Yen	109.25	108.73
Euro - US\$	1.1979	1.197
US\$ - SG\$	1.3536	1.3551

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	46.82	-0.87	-1.82
Oil Brent	52.07	-0.51	-0.97
Coal Newcastle	97.75	0.25	0.26
Nickel	11485		
Tin	20325		
Gold	1317.2	22.77	1.76
CPO Rott	705		
CPO Malay	2709	-8.0	-0.29

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.63	-0.14	-2.48
3 year	6.32	-0.01	-0.08
5 year	6.38	0.01	0.11
10 year	6.78	-0.00	-0.02
15 year	7.25	0.00	0.01
30 year	7.84	-0.00	-0.01

CORPORATE NEWS – cont'd

WIKA – PT Wijaya Karya eyes IDR 12-14 trillion of new contracts from infrastructure projects until the end of 2017. Up to July 2017, WIKA has booked IDR 20.2 trillion of new contracts, or 50.73% of this year's target.

SMBR – PT Semen Baturaja targets 20% increase on sales this year by increasing its production capacity and market share in Sumatra. SMBR will increase its capacity by 1.85 million tons through the new Baturaja II facility that is targeted to be operated by the end of October 2017.

DILD – PT Intiland Development is starting to market its new project, Fifty Seven Promenade. On its launching, DILD has sold 302 units or 94% of the total units offered, and booked IDR 1.6 trillion of sales, more than the target of IDR 520 billion.

MYTX – PT World Harvest Textile conducts mandatory tender offer to acquire 22.47% stake in PT Asia Pacific Investama from public shareholders at IDR 83 per share.

ADRO – PT Adaro Energy reported its 1H2017 financial results:

ADRO (USD mn)	6M 2016	6M 2017	YoY	Q1 2017	Q2 2017	QoQ
Revenue	1,176	1,549	31.76%	727	823	13.24%
Gross Profit	303	533	75.98%	218	315	44.81%
Operating Profit	230	439	91.26%	175	265	51.69%
Pretax Earnings	215	431	100.95%	182	250	37.51%
Net Income	122	222	82.12%	97	125	28.95%
EPS (USD)	0.00382	0.00695	82.12%	0.00304	0.00392	28.95%
<i>Gross Profit Margin</i>	<i>25.70%</i>	<i>34.40%</i>	<i>8.60%</i>	<i>29.90%</i>	<i>38.30%</i>	<i>8.30%</i>
<i>Operating Profit Margin</i>	<i>19.50%</i>	<i>28.40%</i>	<i>8.80%</i>	<i>24.00%</i>	<i>32.20%</i>	<i>8.20%</i>
<i>Net Profit Margin</i>	<i>10.40%</i>	<i>14.40%</i>	<i>4.00%</i>	<i>13.40%</i>	<i>15.20%</i>	<i>1.90%</i>

BJBR – PT Bank Pembangunan Daerah Jawa Barat dan Banten announced its 1H2017 financial results:

BJBR (IDR bn)	6M 2016	6M 2017	YoY	Q1 2017	Q2 2017	QoQ
Net Interest Income	2,916	3,058	4.87%	1,472	1,586	7.79%
Non-Interest Income	1,750	1,217	-30.47%	604	612	1.29%
Other Operating Expense	3,542	3,181	-10.19%	1,486	1,695	14.13%
Operating Profit	1,124	1,094	-2.67%	591	503	-14.80%
Net Income Before Tax	1,092	1,059	-3.04%	575	484	-15.78%
Net Income	855	827	-3.33%	449	378	-15.76%
EPS (IDR) (diluted)	88.1	85.2	-3.33%	46	39	-15.76%
<i>CAR</i>	<i>17.65%</i>	<i>16.31%</i>	<i>-1.34%</i>	<i>17.04%</i>	<i>16.31%</i>	<i>-0.73%</i>
<i>NIM</i>	<i>7.20%</i>	<i>6.76%</i>	<i>-0.44%</i>	<i>6.51%</i>	<i>6.76%</i>	<i>0.25%</i>
<i>ROE</i>	<i>27.92%</i>	<i>22.36%</i>	<i>-5.56%</i>	<i>22.27%</i>	<i>22.36%</i>	<i>0.09%</i>
<i>ROA</i>	<i>2.62%</i>	<i>2.26%</i>	<i>-0.36%</i>	<i>2.32%</i>	<i>2.26%</i>	<i>-0.06%</i>
<i>NPL (Gross)</i>	<i>2.02%</i>	<i>1.57%</i>	<i>-0.45%</i>	<i>1.62%</i>	<i>1.57%</i>	<i>-0.05%</i>
<i>NPL (Net)</i>	<i>0.83%</i>	<i>0.85%</i>	<i>0.02%</i>	<i>0.87%</i>	<i>0.85%</i>	<i>-0.02%</i>
<i>LDR</i>	<i>84.23%</i>	<i>85.85%</i>	<i>1.62%</i>	<i>80.24%</i>	<i>85.85%</i>	<i>5.61%</i>

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