

## DAILY UPDATE September 4, 2017

### MACROECONOMIC NEWS

**US Economy** – U.S. factories expanded at a brisk pace in August, a likely sign of strength for the U.S. economy as new orders, production and employment all improved. The Institute for Supply Management said that its manufacturing index rose to 58.8% last month from 56.3% in July. The measure now stands at its highest level since April 2011, pointing to solid economic growth. Fourteen of 18 manufacturing industries surveyed by ISM posted growth in August, including the machinery, petroleum and coal products, and computer and electronic products sectors.

**US Jobs** – Job creation in the US slowed in August after a stronger start to the summer, and the unemployment rate ticked up from a 16-year low. A report from the Bureau of Labor Statistics showed that the US economy added 156,000 jobs in August, fewer than economists had expected. The unemployment rate rose to 4.4% from 4.3%. Economists had forecast that the pace of job creation slowed to a net total of 180,000 nonfarm payrolls, according to Bloomberg. The BLS also subtracted 41,000 jobs from its initial estimate of the prior two months.

### CORPORATE NEWS

**JSMR** – PT Jasa Marga has determined Tol Lingkar Luar Jakarta (LLJ) W2 as the underlying for project bond that will be issued before the end of this year. The proceed from the issuance is expected to reach IDR 1-1.5 trillion and it will be utilized to fund the construction of new toll road.

**PTPP** – PT PP Construction and Investment has signed a contract with PT Pollux Habiebie International for the construction Meisterstadt superblock in Batam. The total contract value amounting to IDR 3 trillion.

**KRAS** – PT Krakatau Steel optimists to record a net profit by the end of this year even though recorded a loss of USD 56.7 million in 1H17. Sales of steel products volume in 1H17 decreased by 28% to 841 thousand tonnes as a result of overhaul in one of its factory. Expectation of sales growth in the 2H17 is supported by improvement in demand from property, automotive and infrastructure sector as well as increase in steel price.

### Equity Markets

|                 | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones       | 21988   | 0.2      |
| NASDAQ          | 6435    | 0.1      |
| S&P 500         | 2477    | 0.2      |
| MSCI excl. Jap  | 664     | 0.2      |
| Nikkei          | 19556   | -0.7     |
| Shanghai Comp   | 3367    | 0.2      |
| Hang Seng       | 27953   | -0.1     |
| STI             | 3262    | -0.5     |
| JCI             | 5864    | -0.1     |
| Indo ETF (IDX)  | 24.18   | 0.6      |
| Indo ETF (EIDO) | 27.08   | 0.7      |

### Currency

|             | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR  | 13318   | 13345      |
| US\$ - Yen  | 110.25  | 109.76     |
| Euro - US\$ | 1.186   | 1.1885     |
| US\$ - SG\$ | 1.357   | 1.3582     |

### Commodities

|                | Last   | Price Chg | %Chg  |
|----------------|--------|-----------|-------|
| Oil NYMEX      | 47.38  | 1.45      | 3.16  |
| Oil Brent      | 52.51  | 1.75      | 3.45  |
| Coal Newcastle | 95.8   | -1.60     | -1.64 |
| Nickel         | 12035  | 450       | 3.9   |
| Tin            | 20625  | 25        | 0.1   |
| Gold           | 1333.9 | 27.00     | 2.07  |
| CPO Rott       | 698.75 |           |       |
| CPO Malay      | 2700.5 |           |       |

### Indo Gov. Bond Yields

|         | Last | Yield Chg | %Chg  |
|---------|------|-----------|-------|
| 1 year  | 5.69 | -0.11     | -1.83 |
| 3 year  | 6.18 | -0.08     | -1.23 |
| 5 year  | 6.25 | -0.03     | -0.54 |
| 10 year | 6.65 | -0.05     | -0.67 |
| 15 year | 7.14 | -0.06     | -0.89 |
| 30 year | 7.83 | -0.02     | -0.22 |

PT. Panin Asset Management

JSX Building Tower I, 3rd Floor

Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190

T : (021) 515-0595, F : (021) 515-0601

## CORPORATE NEWS – cont'd

**ANTM** – PT Aneka Tambang reported its 1H2017 financial results:

| ANTM (IDR Bn)                  | 6M 2016       | 6M 2017        | YoY          | Q1 2017       | Q2 2017        | QoQ           |
|--------------------------------|---------------|----------------|--------------|---------------|----------------|---------------|
| Revenue                        | 4,163         | 3,011          | -27.66%      | 1,651         | 1,360          | -17.60%       |
| Gross Profit                   | 120           | 135            | 12.36%       | 83            | 52             | -36.81%       |
| Operating Profit               | -251          | -231           |              | -84           | -146           |               |
| Pretax Earnings                | 101           | -248           |              | 1             | -249           |               |
| Net Income                     | 11            | -496           |              | 7             | -503           |               |
| EPS (IDR)                      | 0.5           | -20.6          |              | 0.3           | -20.9          |               |
| <i>Gross Profit Margin</i>     | <i>2.90%</i>  | <i>4.50%</i>   | <i>1.60%</i> | <i>5.00%</i>  | <i>3.80%</i>   | <i>-1.20%</i> |
| <i>Operating Profit Margin</i> | <i>-6.00%</i> | <i>-7.70%</i>  |              | <i>-5.10%</i> | <i>-10.70%</i> |               |
| <i>Net Profit Margin</i>       | <i>0.30%</i>  | <i>-16.50%</i> |              | <i>0.40%</i>  | <i>-37.00%</i> |               |

**PGAS** – PT Perusahaan Gas Negara reported its 1H2017 financial results:

| PGAS (USD Mn)                  | 6M 2016       | 6M 2017       | YoY           | Q1 2017       | Q2 2017       | QoQ            |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Revenue                        | 1,439         | 1,411         | -1.96%        | 746           | 665           | -10.86%        |
| Gross Profit                   | 446           | 379           | -15.09%       | 221           | 158           | -28.79%        |
| Operating Profit               | 262           | 179           | -31.62%       | 151           | 29            | -80.95%        |
| Pretax Earnings                | 178           | 108           | -39.38%       | 126           | -18           |                |
| Net Income                     | 152           | 50            | -67.01%       | 97            | -47           |                |
| EPS (USD)                      | 0.006         | 0.002         | -67.01%       | 0.004         | -0.0019       |                |
| <i>Gross Profit Margin</i>     | <i>31.00%</i> | <i>26.80%</i> | <i>-4.20%</i> | <i>29.70%</i> | <i>23.70%</i> | <i>-6.00%</i>  |
| <i>Operating Profit Margin</i> | <i>18.20%</i> | <i>12.70%</i> | <i>-5.50%</i> | <i>20.20%</i> | <i>4.30%</i>  | <i>-15.90%</i> |
| <i>Net Profit Margin</i>       | <i>10.60%</i> | <i>3.60%</i>  | <i>-7.00%</i> | <i>13.00%</i> | <i>-7.00%</i> |                |

**BMRI** – PT Bank Mandiri's realization of infrastructure credit up to day is 46.15-53.85% from the total platform of IDR 130 trillion. In 2H17, majority of credit will be given to PLN and LRT project. In addition, BMRI have disbursed IDR 300 billion to PT Permodalan Nasional Madani. These proceeds will be used to fund the business of low income women who are members of Mekaar program.

**BYAN** – PT Bayan Resources through its subsidiary, PT Bara Tabang, has signed contract with Korea Midland Power Co. Ltd to sell 10 million tons of coal over the course of 6 years starting from October 2017.

**ESSA** – PT Surya Esa Perkasa plans to raise IDR 600 billion of fund through right issue of 3 billion of shares. The proceeds of this right issue will be used to increase the investment in the subsidiary, PT Panca Amara Utama, to complete the development of the ammonia factory project in Central Sulawesi and to fund the company's operational activities.

**SRTG** – PT Saratoga Investama Sedaya booked IDR 2.59 trillion of net profit in 1H17, or 46.68% decrease YoY. The revenue from the investment in equity instruments decreased 55.57% YoY to IDR 2.03 trillion, while the revenue from dividend, interest and investment booked 115.12% increase to IDR 654.7 billion.

**NISP** – PT Bank OCBC NISP plans to launch server-based e-wallet which targets the young middle-income segment in 4Q17.

**PPRO** – PT PP Properti issued MTN of IDR 300 billion at coupon rate of 10.0% pa. PPRO also plans to issue additional MTN up to IDR 900 billion in the next 4 months.

**GMWC** – PT Grahamas Citarawisata plans to raise capital through rights issue.

**ADMF** – PT Adira Dinamika Multi Finance plans to issue bonds up to IDR 10 trillion in the next 2 years.

## CORPORATE NEWS – cont'd

**TPIA** – PT Chandra Asri Petrochemical has signed engineering, procurement and construction (EPC) contract with Toyo Engineering Group to construct new factory facility of polyethylene (PE) with capacity of 400 kilo tonnes per annum (KTA). The total investment of the project amounting to USD 350 million. Currently, TPIA's PE capacity is 336 KTA, hence upon the completion of the construction of new factory in 2020, total capacity will be 736 KTA.

**VIVA** – PT Visi Media Asia booked an increase in net income by 118% YoY to IDR 217 billion in 1H17. The company has successfully increased its audience shares through its TV station, ANTV and maintained its position as TV Free to Air (FTA) Tier-1 station. Its average audience shares in 1H17 reached 15 in 1H17 whereas audience shares during the period of 1 July-30 August is the highest amongst all TV FTA (15.9). The company believes that the achievement was supported by its convergence for growth strategy which was implemented by synergizing ANTV and tvOne Connect with its digital portal, [viva.co.id](http://viva.co.id), introducing VIVA and tvOne Connect applications and maximizing its social media strength.

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