

DAILY UPDATE September 5, 2017

MACROECONOMIC NEWS

Indonesia Economy – Indonesia's annual inflation rate slowed slightly in August as food prices fell on a monthly basis, the statistics bureau said. Headline consumer prices rose 3.82% YoY in August. July's annual inflation rate was 3.88%. Indonesia's central bank targets a headline inflation rate at 3-5% this year. In August, the consumer price index fell 0.07% on a monthly basis. Prices of food, such as fish and vegetables, fell from a month earlier. The annual core inflation rate, which excludes government-controlled and volatile food prices, was 2.98% in August, from 3.05 percent in July. Bank Indonesia took advantage of contained inflation and a healthy current account deficit outlook to cut its benchmark interest rate by 25 basis points to 4.50% last month, the first cut since October 2016. In addition, national manufacture industry (measured by Purchasing Manager Index (PMI) Nikkei and Markit), increased from 48.6 in July to 50.7 in August. Growth in manufacture was supported by an increase in production, new order as well as export which has rose in the fastest pace for the past 6.5 years.

US Jobs – Nonfarm Payrolls came in a bit softer than expected at +156K. There was also a downward revision to July to +189K from +209K while hourly earnings growth also underwhelmed at +0.1% MoM. July was revised lower to +0.1% from +0.3%. Unemployment ticked up to 4.4% from July's +4.3%.

CORPORATE NEWS

MMLP – PT Mega Manunggal Property will issue 3.01 billion new shares. MMLP will use the proceeds to invest in the subsidiaries.

SILO – PT Siloam International Hospitals secured shareholders' approval to issue 325.2 million new shares at IDR 9,500 per share. SILO will use the proceeds to acquire assets and or finance capital expenditure.

KRAS – PT Krakatau Steel plans to perform groundbreaking of PLTU 1x150 megawatt in mid-December 2017. Currently, this project is still on the pre-qualification process. Total investment is estimated to reach IDR 635 billion.

DILD – PT Intiland Development targets to book IDR 370 billion of recurring income in 2H17. Up to June 2017, DILD has booked IDR 252 billion of recurring income.

Equity Markets

	Closing	% Change
Dow Jones	21988	0.2
NASDAQ	6435	0.1
S&P 500	2477	0.2
MSCI excl. Jap	659	-0.8
Nikkei	19478	-0.2
Shanghai Comp	3380	0.4
Hang Seng	27740	-0.8
STI	3244	0.4
JCI	5814	-0.9
Indo ETF (IDX)	24.18	0.6
Indo ETF (EIDO)	27.08	0.7

Currency

	Closing	Last Trade
US\$ - IDR	13339	13336
US\$ - Yen	109.72	109.55
Euro - US\$	1.1896	1.1899
US\$ - SG\$	1.3572	1.3563

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	47.38		
Oil Brent	52.16	-0.35	-0.67
Coal Newcastle	96.9	1.10	1.15
Nickel	12250	215	1.8
Tin	20790	165	0.8
Gold	1333.5	-0.38	-0.03
CPO Rott	698.75		
CPO Malay	2700.5		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.83	0.05	0.83
3 year	6.26	-0.00	-0.05
5 year	6.26	0.00	0.00
10 year	6.68	-0.02	-0.25
15 year	7.11	-0.00	-0.01
30 year	7.77	-0.00	-0.01

CORPORATE NEWS – cont'd

CTRA – PT Ciputra Development revised its 1H2017 net profit:

CTRA (IDR bn)	6M 2016	6M 2017	YoY	Q1 2017	Q2 2017	QoQ
Revenue	2,879	2,826	-1.80%	1,271	1,555	22.40%
Gross Profit	1,406	1,403	-0.20%	604	799	32.40%
Operating Profit	635	589	-7.20%	288	302	4.80%
Pretax Earnings	472	495	4.90%	300	196	-34.70%
Net Income	310	340	9.60%	216	123	-43.10%
EPS (IDR)	16.7	18.3	9.60%	11.7	6.6	-43.10%
<i>Gross Profit Margin</i>	<i>48.80%</i>	<i>49.60%</i>	<i>0.80%</i>	<i>47.50%</i>	<i>51.40%</i>	<i>3.90%</i>
<i>Operating Profit Margin</i>	<i>22.10%</i>	<i>20.90%</i>	<i>-1.20%</i>	<i>22.70%</i>	<i>19.40%</i>	<i>-3.30%</i>
<i>Net Profit Margin</i>	<i>10.80%</i>	<i>12.00%</i>	<i>1.30%</i>	<i>17.00%</i>	<i>7.90%</i>	<i>-9.10%</i>

MDRN – PT Modern International sold 20,300 m2 of land in Surabaya in order to repay its liabilities to the bank. This transaction is amounting to IDR 100 billion.

EXCL – PT XL Axiata will issue IDR 1.5 trillion Islamic bond by the end of this year. The proceed will be used to refinance the loan that is due this year. In addition, as of today, the company has realized around 60% from this year's capex target of IDR 7 trillion. 70-80% of the capex was allocated for investment in 4G LTE and infrastructure networks such as transmission channel as well as optic fiber.

DMAS – PT Puradelta Lestari aims to increase its recurring income this year to 5-10% from total revenue. The company obtains recurring income from management fee (clean water management, wastewater management and maintenance fee) as well as from its investment properties.

SILO – PT Siloam International Hospitals obtained shareholders' approval regarding its plan to conduct right issue. SILO will issue maximum 325.15 million new shares with nominal value of IDR 100.

BBTN – PT Bank Tabungan Negara prepares IDR 700 billion to form 4 subsidiaries through acquisition or joint venture. From that amount, IDR 250 billion will be invested to a joint venture with PT Jasindo and IDR 200-300 billion will be used to acquire PT Danareksa Finance. The other two acquisition plans will be discussed in AGM next year.

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