

## DAILY UPDATE September 7, 2017

### MACROECONOMIC NEWS

**Australia Economy** – Australia's economy expanded slower than forecast last quarter as a slump in non-residential construction partly offset higher household and government spending. GDP rose 0.8% from prior quarter; economists estimated 0.9% gain. Economy grew 1.8% from a year earlier, compared with forecast 1.9% expansion. Household savings ratio was 4.6%; household spending rose 0.7% QoQ. The quarterly growth, marking 26 years without a recession, conforms with the Reserve Bank of Australia's view of an economy gradually picking up speed over the coming year. The central bank has kept interest rates at a record-low 1.5% for the past 13 months to spur a transition away from mining investment and toward services and manufacturing as growth drivers.

**Japan Economy** – Japan's companies cut bonus payments in July, leading to a surprise drop in total pay for workers. While this was the first fall in 14 months, previous gains have been weak and well below the level needed to generate stronger inflation. Total cash earnings, including overtime and bonuses, declined 0.3% from a year ago. Adjusted for inflation, total cash earnings slipped 0.8%. Bonuses and allowances dropped 2.2%. Scheduled monthly base wages per full-time worker rose 0.3% in July from a year ago, labor ministry data show. Hourly pay per part-time worker grew 2.9%. Japan's labor market is the tightest it has been in decades, but that hasn't translated into sustained wage pressures. Base wages for full-time workers haven't risen more than 1 percent in any month over the last two years, and while part-time workers are seeing better per-hour pay they are working fewer hours.

### CORPORATE NEWS

**WSBP** – PT Waskita Beton Precast booked new contract of IDR 7 trillion in August 2017. The achievement is equals to 56.9% from FY17's target of IDR 12.3 trillion.

**MDRN** – PT Modern International will divest its asset to repay its bank loan. The asset is a 20,300 sqm land in Surabaya, East Java with valuation of IDR 100 billion. The transaction value will be less than 20% of the company's equity, hence is not categorized as material transaction.

### Equity Markets

	Closing	% Change
Dow Jones	21808	0.2
NASDAQ	6393	0.3
S&P 500	2466	0.3
MSCI excl. Jap	657	-0.3
Nikkei	19476	0.6
Shanghai Comp	3385	0.0
Hang Seng	27614	-0.5
STI	3242	0.3
JCI	5824	-0.1
Indo ETF (IDX)	23.78	0.3
Indo ETF (EIDO)	26.65	0.4

### Currency

	Closing	Last Trade
US\$ - IDR	13333	13332
US\$ - Yen	109.22	109.17
Euro - US\$	1.1917	1.1921
US\$ - SG\$	1.3498	1.349

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	49.15	0.60	1.24
Oil Brent	54.08	0.94	1.77
Coal Newcastle	97.9	0.10	0.10
Nickel	12165	85	0.7
Tin	20790	60	0.3
Gold	1333.3	-6.19	-0.46
CPO Rott	711.25		
CPO Malay	2726	46.0	1.72

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.76	-0.02	-0.38
3 year	6.21	-0.01	-0.10
5 year	6.18	-0.00	-0.02
10 year	6.57	0.00	0.00
15 year	6.99	0.00	0.00
30 year	7.76	-0.00	-0.01

## CORPORATE NEWS – cont'd

**OKAS** – PT Ancora Indonesia will take over 100% ownership in Indotan Lombok, an investment company in mining sector. OKAS has signed an agreement with Southern Arc Minerals Inc (the parent company of Indotan Lombok) with transaction value amounting to USD 2 million.

**PDES** – PT Destinasi Tirta Nusantara plans to expand its business to Singapore and Thailand, post the acquisition of Panorama Destination Pte. Ltd.

**ADHI** – PT Adhi Karya prepares IDR 200 billion to invest in the development of drinking water facilities in Lampung. In this project, ADHI will cooperate with PT Adaro Tirta Mandiri who will hold 50% stake of this project. Total investment is estimated around IDR 700 billion.

**WSKT** – PT Waskita Karya will issue bonds amounting to IDR 3 trillion with 8-9.25% coupon rate, 3-5 years tenure, and A- rating from Fitch. In 2018, WSKT also plans to issue bonds amounting to IDR 5 trillion.

**PTBA, TPIA** – PT Bukit Asam and PT Chandra Asri Petrochemical will develop new coal product through gasification. However, the detail of this project has not been published yet.

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