

DAILY UPDATE September 8, 2017

MACROECONOMIC NEWS

Canada Economy – The Bank of Canada raised interest rates to 1% , surprising many, and left the door open to more rate hikes in 2017 even as it pledged to pay attention to how higher borrowing costs would hit Canada’s indebted households. The 25-basis-point increase to 1% followed a hike in July and puts Canada ahead of the curve in returning borrowing costs to more normal levels after they were slashed due to the 2007-2009 financial crisis.

US Economy – U.S. service industries rebounded in August, with the ISM non-manufacturing index rising to 55.3 from 53.9 the month before. For August Markit Services PMI came in at 56.9. Composite PMI was 55.3. July’s Trade Balance gap widened less than forecast to USD -43.7 billion on rising energy and aircraft exports.

The Fed – The Fed's Beige Book, meanwhile, showed limited wage pressures despite a tightening labor market, while describing growth as "modest to moderate."

CORPORATE NEWS

WSBP – PT Waskita Beton Precast increases the production capacity of its factory in Gasing, from 250.000 to 450.000 tons per year for the supply of its projects in Kalimantan and Jawa. Out of the 24-hectare land, only 6 hectares have been utilized for the plant. Gasing is their biggest factory in Sumatra, with IDR 63 billion sales recorded since 2016.

TINS – PT Timah’s IDR 1.5 trillion bonds has oversubscribed by 7x or amounting to IDR 10 trillion. This bond has 8.5%-9.25% of coupon rate and idA+ rating from Pefindo.

TAXI – Pefindo downgraded the rating of PT Express Transindo Utama’s bond from idBBB to id BB+ with negative outlook.

BBTN – PT Bank Tabungan Negara targets its fee-based income to increase by 30% this year. Management said that this target will be achieved by increasing the number of account and customer’s transaction.

Equity Markets

	Closing	% Change
Dow Jones	21785	-0.1
NASDAQ	6398	0.1
S&P 500	2465	0.0
MSCI excl. Jap	661	0.6
Nikkei	19310	-0.4
Shanghai Comp	3365	-0.6
Hang Seng	27523	-0.3
STI	3228	-0.1
JCI	5832	0.1
Indo ETF (IDX)	23.9	0.5
Indo ETF (EIDO)	26.79	0.5

Currency

	Closing	Last Trade
US\$ - IDR	13307	13279
US\$ - Yen	108.45	108.35
Euro - US\$	1.2023	1.2035
US\$ - SG\$	1.3399	1.3397

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	49.1	-0.05	-0.10
Oil Brent	54.55	0.47	0.87
Coal Newcastle	97.65	-0.25	-0.26
Nickel	12150	-15	-0.1
Tin	20750	-40	-0.2
Gold	1349.4	16.13	1.21
CPO Rott	711.25		
CPO Malay	2734	8.0	0.29

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.76	-0.02	-0.38
3 year	6.17	0.00	0.03
5 year	6.14	0.01	0.13
10 year	6.55	-0.00	-0.05
15 year	6.98	-0.00	-0.06
30 year	7.74	-0.00	-0.01

CORPORATE NEWS – cont'd

ADMF – PT Adira Dinamika Multi Finance announced its 6M 2017 financial results

ADMF (IDR bn)	6M 2016	6M 2017	YoY	Q1 2017	Q2 2017	QoQ
Revenue	4,115	4,383	6.50%	2,162	2,222	2.80%
Operating Profit	1,612	1,765	9.50%	849	917	8.10%
Pretax Earnings	791	1,012	28.00%	483	529	9.60%
Net Income	593	681	15.00%	328	354	7.90%
EPS (IDR)	593	681	15.00%	328	354	7.90%
<i>Operating Profit Margin</i>	39.20%	40.30%	1.10%	39.30%	41.30%	2.00%
<i>Net Profit Margin</i>	14.40%	15.50%	1.10%	15.20%	15.90%	0.80%

HADE – PT HD Capital will acquire 99.99% stake of PT Panca Sinergi Perkasa to expand its electricity business with total investment amounting to IDR 382.32 billion. PT Panca Sinergi Perkasa will focus on the development of mini hydro power plant and solar power plant. Currently, PT Panca Sinergi Perkasa has power plants in Java, Sumatra, and Sulawesi.

CTRA – Up to August 2017, PT Ciputra Development has booked IDR 3.85 trillion of marketing sales, or equivalent to 45.29% of this year's target. In 3Q17, CTRA will launch new project namely Citra Garden Sidoarjo with total investment of IDR 500 billion.

ALKA – PT Alakasa Industrindo targets an increase of aluminum extraction export sales contribution to reach 20% from total volume sales in 2018.

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