

DAILY UPDATE September 14, 2017

MACROECONOMIC NEWS

Asia Economy – India's are set to hit a new high of USD 400 billion, enough to cover a year of imports, while holdings of international currencies in South Korea, Taiwan, Thailand and Indonesia are all at record levels. China's reserves, the world's biggest, posted a seventh straight gain in August to USD 3.09 trillion, helping to reverse a near USD 1 trillion decline. Steady capital inflows from yield hungry investors and the weaker dollar have swollen coffers, positioning Asia's central banks to tackle any volatility triggered by the Federal Reserve's plan to shrink its balance sheet details of which are expected to be announced on Sept. 20.

Australia Economy – Reserve Bank of Australia board member Ian Harper said economic growth is not strong enough to justify an interest-rate increase and policy makers can do little but look on as the local dollar appreciates. While it's "terrific" full-time employment growth is strong and unemployment is slowly coming down, it's a "concern" to see under-employment is not moving much and wages and household income growth are slow, because that indicates excess capacity. The central bank has left its cash rate unchanged for 13 months. While the economy is transitioning to services-driven growth from mining, the jobs market is strengthening and investment intentions are improving, a resurgent currency is a new headwind. At the same time, households are struggling with record-high debt and stagnant incomes that pose a risk to spending.

CORPORATE NEWS

SMGR – Up to August 2017, PT Semen Indonesia booked 18.13 million tons of sales volume, or 9.4% increase YoY. From that amount, 93.1% consists of local sales while the rest consists of the export sales. Management targets 5-7% of sales volume growth by the end of this year.

KAEF – PT Kimia Farma eyes 2-3 companies in the business of pharmacy, cosmetic, or beauty clinic to be acquired in 2017 or 2018. Currently, KAEF is in the final process of acquiring 60% of DWAA.co.ltd. In addition, KAEF will issue MTN amounting to IDR 1 trillion with 8.1% of coupon rate. From that amount, IDR 400 billion will be issued in 3Q17, while the rest will be issued in 1Q18.

Equity Markets

	Closing	% Change
Dow Jones	22158	0.2
NASDAQ	6460	0.1
S&P 500	2498	0.1
MSCI excl. Jap	670	0.0
Nikkei	19888	0.1
Shanghai Comp	3384	0.1
Hang Seng	27894	-0.3
STI	3230	-0.2
JCI	5846	-0.5
Indo ETF (IDX)	23.85	-1.0
Indo ETF (EIDO)	26.81	-1.0

Currency

	Closing	Last Trade
US\$ - IDR	13201	13238
US\$ - Yen	110.49	110.62
Euro - US\$	1.1885	1.1878
US\$ - SG\$	1.3507	1.3514

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	49.26	0.98	2.03
Oil Brent	55.07	0.86	1.59
Coal Newcastle	100.3	0.55	0.55
Nickel	11360	-630	-5.3
Tin	20515	-160	-0.8
Gold	1320.3	-10.47	-0.79
CPO Rott	730	6.3	0.86
CPO Malay	2813.5	22.0	0.79

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.58	-0.01	-0.22
3 year	6.01	-0.01	-0.13
5 year	6.03	-0.00	-0.03
10 year	6.45	0.00	0.00
15 year	6.97	0.00	0.00
30 year	7.47	-0.00	-0.01

CORPORATE NEWS – cont'd

INTA – PT Intraco Penta targets its heavy equipment sales could reach IDR 1.8 trillion by the end of this year, or 60% increase YoY.

ADHI – In August 2017, ADHI booked IDR 1.8 trillion of new contracts, making up IDR 28.6 trillion of new contracts during Jan-Aug 2017. Those contracts are mostly LRT and bridges project (73.7%) and building project (20.6%), while the rest is from other infrastructure projects.

TPIA – PT Chandra Asri Petrochemical has completed right issue as of 8 September 2017. After the corporate action, total number of shares is 3.6 billion with the addition of 279.7 million new shares. Hence, free float shares amounting to 9.06%. The proceed from right issue is IDR 5.03 trillion (approximately equals to USD 378 million) and will be used to finance capital expenditure for production capacity expansion as well as products diversification.

IKBI – PT Sumi Indo Kabel targeted production capacity to reach 300 tonnes electricity cable/month by the end of this year from current capacity of 200 tonnes cable/month. In order to finance the expansion plan, the company has allocated USD 7 million fund.

TRAM – PT Trada Maritime acquired 6.26 billion or 50.10% shares of PT SMR Utama. The total investment value amounting to IDR 3.13 trillion. Previously, the company has also acquired coal mining (100 % shares), PT Gunung Bara Utama with value of IDR 2.48 trillion.

BBTN – As of 1H17, PT Bank Tabungan Negara provided credit for 370 thousand houses or equals to 56% achievement to FY17 target of 666 thousand houses.

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