

DAILY UPDATE **October 4, 2017**

MACROECONOMIC NEWS

US Economy - The Institute for Supply Management said that its index of manufacturing activity climbed to 60.8 last month from 58.8 in August, hitting its highest reading since May 2004. The initial storm impact showed up prominently in the ISM Prices Index, which jumped 9.5% on the month to 71.5, reflecting higher costs of raw materials like chemical products and metals. The new orders index rose to 64.6 in September and the employment index finished the month at 60.3, up from 59.9. The Markit PMI Manufacturing Index (PMI) rose to 53.1 in September from 52.8 in August. This was more or less in line with the early September flash reading of 53.0. Bloomberg's consensus estimate was 53.0, and its range of estimates was a tight 52.5 to 53.0. The Markit report indicated that production rose modestly but new order growth softened, while employment expanded at the quickest rate for nine months. One issue to watch on the inflationary front is that input prices increased at the fastest pace since December 2012.

US Housing - The Commerce Department said construction spending rose 0.5% in August as outlays for both private and public projects increased, ending two straight monthly declines. Construction spending advanced 2.5% YoY.

Euro-Area Economy - Manufacturers in the euro zone reported their most productive month in September since 2011. IHS Markit final manufacturing purchasing managers' index hit 58.1 last month, having reached 57.4 in August.

CORPORATE NEWS

BBTN – PT Bank Tabungan Negara issued negotiable certificate of deposit (NCD) phase III with total value of IDR 550 billion. The proceeds will be used for the company's credit expansion. The discount rate of the NCD is 6.5% and the term period is 360 days.

BBCA – PT Bank Centra Asia through its fintech subsidiary, PT Central Capital Ventura will increase credit exposure to micro and SME segment. The company plans to invest IDR 200 billion fund to the fintech company.

GIAA – PT Garuda Indonesia lend USD 15 million (or equals to approximately IDR 203 billion) to its subsidiary, PT Citilink Indonesia.

Equity Markets

	Closing	% Change
Dow Jones	22642	0.4
NASDAQ	6532	0.2
S&P 500	2535	0.2
MSCI excl. Jap	670	1.1
Nikkei	20650	0.2
Shanghai Comp	3349	0.3
Hang Seng	28173	2.2
STI	3240	-0.2
JCI	5939	0.4
Indo ETF (IDX)	23.78	1.0
Indo ETF (EIDO)	26.75	0.9

Currency

	Closing	Last Trade
US\$ - IDR	13542	13498
US\$ - Yen	112.85	112.62
Euro - US\$	1.1744	1.177
US\$ - SG\$	1.3621	1.3597

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	50.04	-0.40	-0.79
Oil Brent	55.66	-0.28	-0.50
Coal Newcastle	97	1.10	1.15
Nickel	10620	230	2.2
Tin	20800	125	0.6
Gold	1275	5.18	0.41
CPO Rott	690	6.3	0.91
CPO Malay	2701	-15.0	-0.55

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.70	0.01	0.12
3 year	6.04	-0.01	-0.08
5 year	6.19	-0.01	-0.15
10 year	6.51	-0.00	-0.06
15 year	7.07	-0.00	-0.04
30 year	7.41	0.01	0.11

CORPORATE NEWS cont'd

MEDC – PT Medco Energi Internasional is looking to strengthen its position in the electricity business with the acquisition of 77.68% of PT Saratoga Power, the majority shareholder of PT Medco Power Indonesia.

MEDC reported 6M17 financial results:

MEDC (USD mn)	6M2016	6M2017	YoY	Q1 2017	Q2 2017	QoQ
Revenue	261	404	54.32%	210	193	-8.08%
Gross Profit	114	198	73.40%	105	93	-11.40%
Operating Profit	18	70	278.92%	45	25	-44.96%
Pretax Earnings	39	148	282.20%	78	69	-11.35%
Net Income	11	81	614.30%	43	38	-12.64%
EPS (USD)	0.00086	0.00617	614.30%	0.00330	0.00288	-12.64%
<i>Gross Profit Margin</i>	<i>43.7%</i>	<i>49.1%</i>	<i>5.4%</i>	<i>50.0%</i>	<i>48.2%</i>	<i>-1.8%</i>
<i>Operating Profit Margin</i>	<i>7.0%</i>	<i>17.2%</i>	<i>10.2%</i>	<i>21.3%</i>	<i>12.8%</i>	<i>-8.6%</i>
<i>Net Profit Margin</i>	<i>4.3%</i>	<i>20.0%</i>	<i>15.7%</i>	<i>20.5%</i>	<i>19.5%</i>	<i>-1.0%</i>

POWR – PT Cikarang Llistrindo will start its new business, coal transportation after it completes the establishment of its subsidiary, PT Bahtera Llistrindo.

DGIK – As of September 2017, PT Nusa Konstruksi Enjiniring obtained IDR 1.6 trillion or 63% of FY17's target.

JECC – PT Jembo Cable Company cut its FY17's earning target from IDR 2.44 trillion to IDR 2.1 trillion. This is due to an increase in raw material: copper and aluminum (which up to date has increased by 18% and 10% respectively). In addition, sales volume of fiber optic cable has also decreased by 52%.

CNKO – PT Eksploitasi Energi Indonesia booked a net loss of IDR 832.78 billion in 1H17, increase from a net loss of IDR 65.6 billion in the same period last year. This is along with a decline in revenue of 32.09% to IDR 817.32 billion.

GTBO – PT Garuda Tujuh Buana is searching for new export markets as its coal mining is back to operation.

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