

DAILY UPDATE November 6, 2017

MACROECONOMIC NEWS

US Economy – Nonfarm business-sector productivity increased at a 3.0% seasonally adjusted annual rate in the third quarter, the Labor Department said. The gain was better than economists had expected and the largest quarterly improvement since the third quarter of 2014. The Labor Department said initial claims for state unemployment benefits decreased 5,000 to a seasonally adjusted 229,000 for the week ended Oct. 28, the Labor Department said. That was not too far from 223,000, a 44-1/2-year low touched in mid-October. The four-week moving average of initial claims, considered a better measure of labor market trends as it irons out week-to-week volatility, dropped 7,250 to 232,500 last week. That was the lowest reading since April 1973. Continuing Claims fell 15,000 to 1.884 million in the week ended Oct. 21, the lowest level since December 1973, underscoring the diminishing jobs market slack. Unit labour costs, the price of labour per single unit of output, increased at only a 0.5% pace. Unit labour costs rose at a 0.3% pace in the second quarter.

Euro-Area Economy – Shares of exporters dropped as the euro moved higher against the U.S. dollar and other rivals following data showing manufacturing activity at an 80-month high in October and Germany's Jobless rate remained a record low. IHS Markit said its final eurozone manufacturing PMI came in at 58.5 in October compared with the 58.6 flash estimate. German jobless claims fell by 11,000 in October as the 5.6% unemployment rate remained at a record low, the Federal Employment Agency said.

UK Economy – The Bank of England delivered a 'dovish' hike and raised rates 25bps, the first hike since July 2007, but flagged downside risk to the economy as the country proceeds with Brexit.

CORPORATE NEWS

MEDC – PT Medco targets to raise IDR 2.67 trillion through rights issue. The proceeds will be used to pay off its debts.

AGRO – PT Bank Rakyat Indonesia Agroniaga sets aggressive target of 20-30% credit growth in 2018. AGRO is optimistic on agribusiness outlook, particularly CPO, planning to increase exposure in the sector from 65% to 70% next year. AGRO targets NPL to stay below 3%.

Equity Markets

	Closing	% Change
Dow Jones	23539	0.1
NASDAQ	6764	0.7
S&P 500	2588	0.3
MSCI excl. Jap	700	0.2
Nikkei	22628	0.4
Shanghai Comp	3372	-0.3
Hang Seng	28604	0.3
STI	3380	-0.1
JCI	6040	0.1
Indo ETF (IDX)	24.09	-0.4
Indo ETF (EIDO)	27.01	-0.4

Currency

	Closing	Last Trade
US\$ - IDR	13498	13530
US\$ - Yen	114.07	114.65
Euro - US\$	1.1608	1.1607
US\$ - SG\$	1.3649	1.3655

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	55.84	0.97	1.77
Oil Brent	62.3	1.40	2.30
Coal Newcastle	99	-1.20	-1.20
Nickel	12725	120	1.0
Tin	19550	-95	-0.5
Gold	1267.4	-11.11	-0.87
CPO Rott	720.25	-9.8	-1.34
CPO Malay	2802	1.0	0.04

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.66	-0.01	-0.12
3 year	6.24	0.05	0.84
5 year	6.32	0.01	0.16
10 year	6.64	-0.00	-0.03
15 year	7.08	-0.03	-0.46
30 year	7.53	-0.03	-0.34

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CORPORATE NEWS – cont'd

SIIP – PT Suryainti Permata will issue mandatory convertible bonds (MCB) of IDR 1.08 trillion. The MCB may be converted into 2.46 billion new shares in five years (the maximum dilution is 36.86%).

INDY – PT Indika Energy will issue global bonds of USD 575 million that offers coupon at 5.87% pa and has 7-year tenor.

LPGI – PT Lippo General Insurance booked Q32017 consolidated net profit of IDR 47.73 billion as premium payment grew 12.19%.

ASBI – PT Asuransi Bintang booked Q32017 net profit of IDR 9.41 billion, up 31.96% yoy.

PPRO – PT PP Properti will issue IDR 213 billion MTN with interest rate of 9.75%/year and 3 years term period. In the previous months, the company has issued IDR 987 billion MTN. Hence, overall MTN issuance for this year reaching IDR 1.2 trillion.

PLIN – PT Plaza Indonesia Realty plans to distribute cash dividend of IDR 637.93 billion or IDR 210/share. The dividend payout ratio is 89.4% of 2016's net income.

TRAM – PT Trada Alam Mineral plans to conduct right issue of 40 billion new shares. The target proceed from the corporate action is approximately IDR 9 trillion. In addition, the company will issue 3.4 billion warrant series II along with the new shares.

SRIL – PT Sri Rejeki Isman plans to conduct right issue of 1.85 billion new shares with target proceed of IDR 1.85 trillion.

ULTJ – PT Ultra Jaya Milk Industry announced its 9M 2017 financial result:

ULTJ (IDR bn)	9M 2016	9M 2017	YoY	Q2 2017	Q3 2017	QoQ
Revenue	3,453	3,576	3.60%	1,136	1,258	10.70%
Gross Profit	1,191	1,336	12.20%	434	471	8.50%
Operating Profit	662	770	16.20%	175	326	86.60%
Pretax Earnings	719	861	19.70%	180	368	104.30%
Net Income	546	640.8	17.30%	149	254	70.90%
EPS (IDR)	47.3	55.5	17.30%	12.9	22	70.90%
<i>Gross Profit Margin</i>	<i>34.50%</i>	<i>37.40%</i>	<i>2.90%</i>	<i>38.20%</i>	<i>37.40%</i>	<i>-0.80%</i>
<i>Operating Profit Margin</i>	<i>19.20%</i>	<i>21.50%</i>	<i>2.30%</i>	<i>15.40%</i>	<i>25.90%</i>	<i>10.50%</i>
<i>Net Profit Margin</i>	<i>15.80%</i>	<i>17.90%</i>	<i>2.10%</i>	<i>13.10%</i>	<i>20.20%</i>	<i>7.10%</i>

CORPORATE NEWS – cont'd

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