

DAILY UPDATE November 7, 2017

MACROECONOMIC NEWS

US Jobs – The Labor Department reported that the unemployment rate fell 0.1% to 4.1% in October. The unemployment rate has barreled down from 4.8% at the start of this year. A broader measure of unemployment that includes Americans stuck in part-time jobs or too discouraged to look for work fell to 7.9% in October. The last time it was lower was in 2001. Nonfarm payrolls rose a seasonally adjusted 261,000 in October. September's payroll data, initially reported as the first drop in seven years, were revised to show employers actually created 18,000 new jobs that month, extending the economy's streak of job gains to a record 85 straight months. Hurricane Harvey battered Texas in late August and Irma hit Florida in early September, denting economic activity but not discernibly altering the underlying pace. Worker wages actually declined 1c to USD 26.53 an hour in October after increasing by 12c the prior month. Those figures may have been affected by the hurricanes, as restaurants and bars added many low-wage workers back to their payrolls, dragging down average earnings overall. But the longer-run trend is anemic. From a year earlier, wages increased 2.4% in October, the weakest pace of growth since February last year. Broader inflation is anemic too, running below the Fed's 2% target.

Indonesia Economy – Indonesia's economy grew slightly slower than expected in the third quarter, as private consumption continued to flatline, confounding efforts by policymakers to push the growth rate much above 5%. The economy expanded 5.06% in July-September from a year earlier, compared with 5.01% in both the first and second quarters. A *Reuters* poll forecast 5.13% for the third quarter. Indonesia's growth has stagnated at around 5% since the fourth quarter of 2014 as private consumption, which accounts for about half of GDP, has remained sluggish. Private consumption grew 4.93% YoU in the third quarter, a fraction below the second quarter's 4.95%. On a positive note, government spending grew 3.46% in the third quarter, picking up pace after a near 2% annual contraction in April-June. Investment also took on a bigger role in growth and rose 7.11%, up from 5.35% in the second quarter, including USD 8.3 billion of foreign direct investment focused on metals, machinery, electronics and mining.

Equity Markets

	Closing	% Change
Dow Jones	23548	0.0
NASDAQ	6786	0.3
S&P 500	2591	0.1
MSCI excl. Jap	701	0.2
Nikkei	22575	0.1
Shanghai Comp	3388	0.5
Hang Seng	28597	-0.0
STI	3391	0.3
JCI	6051	0.2
Indo ETF (IDX)	24.31	0.9
Indo ETF (EIDO)	27.29	1.0

Currency

	Closing	Last Trade
US\$ - IDR	13524	13504
US\$ - Yen	113.71	113.79
Euro - US\$	1.161	1.1611
US\$ - SG\$	1.3615	1.3615

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	57.23	1.39	2.49
Oil Brent	64.11	1.81	2.91
Coal Newcastle	98.75	-0.25	-0.25
Nickel	12920	195	1.5
Tin	19450	-100	-0.5
Gold	1280.1	12.69	1.00
CPO Rott	721.25	1.0	0.14
CPO Malay	2792.5	-9.5	-0.34

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.66	-0.01	-0.14
3 year	6.23	-0.00	-0.05
5 year	6.33	-0.00	-0.03
10 year	6.67	0.00	0.00
15 year	7.12	0.00	0.01
30 year	7.53	0.00	0.00

CORPORATE NEWS

AMRT – PT Sumber Alfaria Trijaya announced its 9M 2017 financial results:

AMRT (IDR bn)	9M 2016	9M 2017	YoY	Q2 2017	Q3 2017	QoQ
Revenue	41,374	45,605	10.20%	16,756	15,086	-10.00%
Gross Profit	7,950	8,826	11.00%	2,926	2,925	0.00%
Operating Profit	491	167	-65.90%	26	46	78.70%
Pretax Earnings	447	99	-77.90%	-4	25	
Net Income	360	97	-73.00%	2	22	861.90%
EPS (IDR)	8.7	2.3	-73.00%	0.1	0.5	861.90%
<i>Gross Profit Margin</i>	<i>19.20%</i>	<i>19.40%</i>	<i>0.10%</i>	<i>17.50%</i>	<i>19.40%</i>	<i>1.90%</i>
<i>Operating Profit Margin</i>	<i>1.20%</i>	<i>0.40%</i>	<i>-0.80%</i>	<i>0.20%</i>	<i>0.30%</i>	<i>0.20%</i>
<i>Net Profit Margin</i>	<i>0.90%</i>	<i>0.20%</i>	<i>-0.70%</i>	<i>0.00%</i>	<i>0.10%</i>	<i>0.10%</i>

TPIA – PT Chandra Asri Petrochemical obtained shareholders' approval for stock split 1:5.

SRIL – PT Sri Rejeki Isman obtained shareholders' approval for private placement. The company expected to obtain approximately IDR 657 billion from the corporate action.

BBRI – As of year to date, PT Bank Rakyat Indonesia has provided IDR 56 trillion credit for businesses (kredit usaha rakyat) to 3 million debtors. Hence, the company's total realization of credit for businesses reached 78.87% from FY17 target.

WSKT – PT Waskita Toll Road, subsidiary of PT Waskita Karya plans to issue IDR 510 billion MTN in 2018.

INAF – PT Indofarma targets IDR 100 billion funding through MTN or rights issue in 2018.

MEDC – PT Medco Energi Internasional will issue 4.45 billion new shares at IDR 450 per share, with ratio of 3:1. MEDC will also issue 4.45 billion warrants that are attached to the new shares. The warrant may be exercised between 12th of December 2017 – 20th of December 2020.

META – PT Metro Pacific Tollways Indonesia (MPTI), a subsidiary of Metro Pacific Tollways Corp, will acquire 42.25% stake in PT Nusantara Infrastructure from PT Matahari Kapital Indonesia at IDR 274 per share. Post transaction, MPTI will conduct mandatory tender offer.

TURI – PT Tunas Ridean will distribute 2017 interim dividend of IDR 5 per share. Cum dividend is on 14th of November 2017.

APLN – PT Agung Podomoro Land will soon launch Azura, the second tower of its apartment Orchard View in Batam, Riau. APLN has sold 75% of its first tower, totaling 420 units. Prices range from IDR 400 million to IDR 1 billion.

HADE – PT HD Capital, now PT Himalaya Energi Perkasa, has acquired shareholders' permission to perform reverse stock before undergoing rights issue. HADE targets to raise IDR 448 billion through rights issue with a ratio of 5:1. IDR 382.32 billion of the proceeds will be used to acquire PT Panca Sinergi Perkasa, a company focusing on hydroelectric power.

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