

DAILY UPDATE November 13, 2017

MACROECONOMIC NEWS

US Jobs – Initial claims for state unemployment benefits increased 10,000 to a seasonally adjusted 239,000 for the week ended Nov. 4. Claims had fallen to 229,000 in the prior week, near a 44-1/2-year low, and remain well below the 300,000 level generally regarded as signaling a healthy labor market. The Labor Department noted that it is now processing backlogged claims in Puerto Rico, though its operations in the Virgin Islands remain severely disrupted. Continuing claims rose 17,000 to 1.901 million. Economists polled by Bloomberg had expected continuing claims of 1.885 million.

US Economy – U.S. wholesale inventories increased 0.3% in September, on par with analysts' estimates, while the strong growth in August was revised slightly downward from 0.9% to 0.8%. Sales at wholesalers in September rose 1.3%, compared to a upwardly revised 1.9% growth rate in August. The figure is slightly stronger than the 0.9% growth rate expected by economists polled by Bloomberg.

Euro-Area Economy – The Eurozone is on track to grow at its fastest rate in a decade after the European Commission increased its GDP growth forecasts to 2.2% in 2017, up from its 1.7% forecast.

Indonesia Economy – Indonesia's current-account deficit narrowed to USD 4.3 billion in the third quarter from USD 4.8 billion in the prior quarter on an improved trade surplus, Bank Indonesia said. The latest gap also came in smaller than the USD 5.1 billion deficit recorded a year ago. "Meanwhile, the surplus in the capital and financial account increased significantly in line with the improving confidence on the economic prospects," the central bank said. As a result, the balance of payments recorded a USD 5.4 billion surplus in the third quarter, compared with USD 700 million in the second, it said.

CORPORATE NEWS

TPIA – PT Chandra Asri Petrochemical obtained effective permit from Financial Service Authority (OJK) for the issuance of bond through continuous public offering I Phase I Year 2017. The total platform is IDR 1 trillion however in the near term, the company plans to issue IDR 500 billion bonds first. The term periods of the bond are 3 years and 5 years.

Equity Markets

	Closing	% Change
Dow Jones	23422	-0.2
NASDAQ	6751	0.0
S&P 500	2582	-0.1
MSCI excl. Jap	703	-0.3
Nikkei	22511	-0.8
Shanghai Comp	3433	0.1
Hang Seng	29121	-0.1
STI	3422	0.1
JCI	6022	-0.3
Indo ETF (IDX)	23.75	-0.7
Indo ETF (EIDO)	26.8	-0.7

Currency

	Closing	Last Trade
US\$ - IDR	13543	13553
US\$ - Yen	113.53	113.64
Euro - US\$	1.1665	1.165
US\$ - SG\$	1.3602	1.3613

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	56.87	-0.19	-0.33
Oil Brent	63.62	-0.23	-0.36
Coal Newcastle	97.65	-0.05	-0.05
Nickel	12110	-190	-1.5
Tin	19425		
Gold	1276.1	-9.56	-0.74
CPO Rott	735	2.5	0.34
CPO Malay	2784.5	17.5	0.63

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.61	-0.01	-0.20
3 year	6.19	0.02	0.31
5 year	6.34	0.02	0.35
10 year	6.67	0.01	0.15
15 year	7.15	0.02	0.28
30 year	7.56	0.00	0.01

CORPORATE NEWS

KRAS – PT Krakatau Steel is optimistic on achieving a minimum of USD 50 million net profit in 2018.

TOTL – PT Total Bangun Persada books new contracts of IDR 3.25 trillion (or 81% of FY2017 target) up to October 2017.

BBRI – PT Bank Rakyat Indonesia will acquire 35% stake in PT Bahana Artha Venture through private placement

ITMG – PT Indo Tambangraya Megah reported its 9M 2017 financial results:

ITMG (USD mn)	9M 2016	9M 2017	YoY	Q2 2017	Q3 2017	QoQ
Revenue	958	1,164	21.43%	381	415	8.96%
Gross Profit	194	347	79.12%	98	134	37.64%
Operating Profit	105	267	154.28%	71	107	52.36%
Pretax Earnings	99	250	152.61%	71	91	28.72%
Net Income	70	172	147.44%	48	67	39.04%
EPS (USD)	0.0616	0.1524	147.44%	0.0426	0.0592	39.04%
<i>Gross Profit Margin</i>	<i>20.20%</i>	<i>29.80%</i>	<i>9.60%</i>	<i>25.60%</i>	<i>32.40%</i>	<i>6.70%</i>
<i>Operating Profit Margin</i>	<i>11.00%</i>	<i>23.00%</i>	<i>12.00%</i>	<i>18.50%</i>	<i>25.90%</i>	<i>7.40%</i>
<i>Net Profit Margin</i>	<i>7.30%</i>	<i>14.80%</i>	<i>7.50%</i>	<i>12.60%</i>	<i>16.10%</i>	<i>3.50%</i>

INDY – PT Indika Energy through its subsidiary, PT Indika Energy Capital III Pte Ltd will issue USD 575 million bond. The bond will mature in 2024 with coupon rate of 5.88% pa, which will be paid semi-annually.

JSMR – PT Jasa Marga is looking into issuing Islamic bond to diversify its funding source.

MEGA – PT Bank Mega was excluded from systematic bank category (hence total number of systematic bank was reduced from 12 to 11). This is due to the decrease in asset size after the restructuring of its problematic loans.

BNGA – PT Bank CIMB Niaga projected NPL to recover next year with improvement in the quality of new credit. BNGA aims NPL gross next year to be lower than 3.9%. BNGA targets 2017 credit growth to reach 7% this year. Currently, wholesale banking is the biggest contributor to the growth.

RIMO – PT Rimo International Lestari partners with Grup Mayapada to develop property project in Puncak, Cianjur, West Java. The long-term project will be finished in 5 – 10 years, with total value of IDR 2 trillion. Next year, RIMO will start constructing the 200-hectare project.

Disclaimer

The analyst(s) whose work appears in this report certifies that his or her remuneration is not correlated to his or her judgment(s) on the performance of the company(ies).

The information and/or opinions contained in this report has been assembled by Panin Asset Management from sources which we deem to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. This report may not be reproduced, distributed or published by any recipient for any purpose. Any recommendations contained herein are based on a consideration of the securities alone, and as such are conditional and must not be relied upon as a solitary basis for investment decisions. Under no circumstances is this report to be used or considered as an offer to sell, or a solicitation of an offer buy.

All opinions and estimates herein reflect the author's judgment on the date of this report and are subject to change without notice. Panin Asset Management, its related companies, their officers, employees, representatives and agents expressly advise that they shall not be liable in any way whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise arising (whether in negligence or otherwise) out of or in connection with the contents of and/or any omissions from this communication.

Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should make their own independent assessment and seek professional financial advice before they make their investment decisions.

Due to its nature as an asset management firm, it is very much possible that Panin Asset Management and/or persons connected with it may, to the extent permitted by law, have long or short positions or may otherwise be interested in any transactions or investments (including derivatives) referred to in this publication. In addition, Panin Asset Management and/or its parent, Panin Sekuritas, and/or its affiliated companies may provide services for or solicit business from any company referred to in this publication.

The analyst(s) named in this report certifies that all of the views expressed by the analyst(s) in this report reflect the personal views of the analyst(s) with regard to any and all of the content of this report relating to the subject securities and issuers covered by the analyst(s) and no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst(s) in this report.

WE STRONGLY ADVISE INVESTORS TO CONSULT THEIR FINANCIAL ADVISOR BEFORE MAKING THEIR INVESTMENT DECISION. ALL INVESTMENT OPPORTUNITIES PRESENT SOME SORT OF RISK. INVESTORS SHOULD ASSESS THEIR RISK SENSITIVITY IN ORDER TO DETERMINE SUITABILITY OF AN INVESTMENT OPPORTUNITY ACCORDING TO THEIR RISK PROFILE.