

DAILY UPDATE November 15, 2017

MACROECONOMIC NEWS

Japan Economy – Japan’s economy grew for a seventh straight quarter, its longest expansion since 2001, as a recovery in exports and rising business investment offset a decline in consumer spending. GDP grew at an annualized rate of 1.4% in the three months ended Sept. 30 compared with a revised 2.6% in the previous quarter. Net exports, or shipments less imports, added 0.5 percentage point to GDP. Business spending rose 0.2% from the previous quarter. Private consumption fell 0.5% in the third quarter from the previous three months. Measured quarter-on-quarter, GDP grew 0.3%. Private inventories contributed 0.2% points to GDP. The GDP deflator, a broad measure of price changes, rose 0.1% YoY.

Australia Economy – Australian business conditions surged to the highest on record, reinforcing signs of a strengthening labor market and pickup in investment. The sentiment index jumped seven points to 21 in October and was driven by spikes in sales and profitability gauges, according to a National Australia Bank Ltd. survey of more than 400 firms conducted in the last week of the month. The business confidence index was unchanged at a revised 8.

India Economy – India’s palm oil imports climbed for a ninth month in October as traders and refiners increased purchases to meet demand for festivals. Imports advanced 1.1% YoY to 747,658 metric tons, the Solvent Extractors’ Association of India said. That compares with a median estimate of 755,000 tons in a Bloomberg survey. Total vegetable oil purchases, including sunflower oil and those for industrial use, declined 0.5% to 1.17 million tons, the association said. Palm oil climbed 4.5% in October, the most since July, on demand from India and China. Buying generally picks up in India, the world’s biggest importer, as Hindus celebrate major holidays such as Dussehra and Diwali between September and November.

Indonesia Economy – In October 2017, domestic cement sales increased 12.5% YoY to 6.7 million tonnes. Consumption in Java grew by 17% whereas Sumater and Kalimantan increased by 7.8% and 6.1% respectively. However, cement sales in Sulawesi experienced a decrease by 7.8. As a result, total sales in January-October reached 54.19 million tonnes (+7.2% YoY).

Equity Markets

	Closing	% Change
Dow Jones	23409	-0.1
NASDAQ	6738	-0.3
S&P 500	2579	-0.2
MSCI excl. Jap	699	-0.3
Nikkei	22245	-0.6
Shanghai Comp	3430	-0.5
Hang Seng	29152	-0.1
STI	3395	-0.1
JCI	5988	-0.6
Indo ETF (IDX)	23.57	-0.5
Indo ETF (EIDO)	26.51	-0.8

Currency

	Closing	Last Trade
US\$ - IDR	13551	13536
US\$ - Yen	113.46	113.26
Euro - US\$	1.1798	1.1792
US\$ - SG\$	1.3591	1.3592

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	55.11	-1.61	-2.84
Oil Brent	61.51	-1.62	-2.57
Coal Newcastle	97.6	-0.20	-0.20
Nickel	11780	-710	-5.7
Tin	19470	-30	-0.2
Gold	1282.5	5.40	0.42
CPO Rott	720	-7.5	-1.03
CPO Malay	2733.5	-24.0	-0.87

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.57	-0.01	-0.20
3 year	6.17	-0.00	-0.05
5 year	6.30	-0.01	-0.17
10 year	6.66	-0.00	-0.02
15 year	7.15	-0.01	-0.07
30 year	7.57	-0.00	-0.01

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CORPORATE NEWS – cont'd

ANJT – PT Austindo Nusantara Jaya targets completion of CPO, PKO and Sago processing factory in West Papua and an edamame bean processing factory in East Java in 2018. ANJT invested USD 29.4 million for both factories.

TPIA – PT Chandra Asri Petrochemical offers bond through continuous public offering I Phase I Year 2017 in 3 series. Series A with coupon rate of 8.4-9% and term period of 3 years. Series B with coupon rate of 8.7-9.45% and term period of 5 years. Lastly, series C with coupon rate of 9-9.75% and term period of 7 years.

ITMG – PT Indo Tambangraya Megah is starting to realize its coal mining acquisition plan. The company plans to increase the average age of mining from 7 years (current age) to 15 years. In September 2017, the company just acquired 70% ownership in PT Tepian Indah Sukses with transaction value of USD 9.5 million. Tepian Indah owns mining license (IUP) of 2.07 ha with reserve of 4.7 million tonnes. ITMG will acquire 5-10 additional mining with coal reserve of 30-100 million tonnes. On a separate note, the company has used USD 34 million capex out of USD 60.3 million target for FY17. Next year's capex is estimated to be at around the same amount as this year.

TRAM – PT Trada Alam Minera has sold its ship to payback loan to PT Bank ICBC Indonesia. As a result, total asset and liabilities fell by 20% in 3Q17.

BRPT – PT Barito Pacific allocates IDR 200 billion for the buyback of 100 million shares. In addition, the company has finalized the acquisition of 66.66% shares of Star Energy. The acquisition process is expected to be fully completed in 1H18.

CMNP – PT Citra Marga Nusaphala Persada will operate Soreang-Pasir Koja toll. The length of the toll road is 10.57 kilo and it will connect Bandung city with Soreang area. CMNP owns 65% of Soreang-Pasir Koja toll road.

ISAT – PT Indosat Ooredoo obtained shareholders' approval to appoint Joy Wahjudi as the company's president director and the new CEO until 2020.

BBTN – As of October 2017, PT Bank Tabungan Negara has provided IDR 188.3 trillion credit (+19.8% YoY). As of end 2017, the company is optimistic to obtain credit growth of 19%

ANTM – PT Aneka Tambang and PT Inalum through their joint venture with Aluminium Corporation of China will develop alumina smelter at a more efficient cost. The project is estimated to require investment of USD600 – 700 million, as opposed to USD 1.5 – 1.8 billion. The cost efficiency is attributable to the use of new technology. The refinery will have a capacity of 1 million ton per year.

PTPP – PT PP partners with Hanwa in developing low cost housing with state-capital participation funding of IDR 541 billion. PTPP targets to realize capex of IDR 6.7 trillion in 4Q2017 or 67% from the targeted IDR 10 trillion.

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