

DAILY UPDATE December 29, 2017

MACROECONOMIC NEWS

Indonesia Economy - Indonesia's economy is in a stronger position as it enters 2018, bolstering President Joko Widodo as the nation gears up for elections. Having notched up growth above 5% in every quarter so far this year, the economy is forecast by the government to expand 5.4% in 2018, which would be the fastest pace in five years. Foreign investment is picking up, inflation is subdued, more people are in jobs and a landmark infrastructure program is taking shape. That's a far cry from when the president, known as Jokowi, took office in October 2014, faced with a slowing economy, inflation exceeding 8% and a weakening currency. With a budget deficit cap of 3% of GDP, the government is putting more efforts into boosting tax revenue to help finance spending plans. It plans to bring the deficit down to 2.2% of GDP next year from an estimated 2.9% this year.

Singapore Economy - Singapore is bracing for possible tax increases and monetary policy tightening in 2018 against a backdrop of steady economic growth and benign inflation. The city state's economy will probably expand 2.8% next year compared with an estimated 3.3% this year, while inflation is forecast to pick up slowly, according to the median estimates in a Bloomberg survey. That recovery may spur the central bank to move away from its neutral policy stance. The Monetary Authority of Singapore is forecasting growth of 1.5% to 3.5% in 2018, with its core measure of inflation seen fairly stable at an average of 1% to 2%. The MAS, which uses the currency as its main policy tool rather than interest rates, opened the door to a tightening move at its last policy meeting in October.

CORPORATE NEWS

SSMS – PT Sawit Sumbermas will issue global bonds amounting to USD 300 million in January/February 2018. SSMS allocates capex of USD 15 million - 20 million in 2018. The proceeds will be used for construction of factories and infrastructure development.

BBTN – PT Bank Tabungan Negara plans to spin-off its sharia business unit and merge it with PT Bank BNI Syariah, a subsidiary of PT Bank Negara Indonesia. The merger is part of the government's plan to be the major shareholder of SOE banks with minimum capital of IDR 5 trillion.

Equity Markets

	Closing	% Change
Dow Jones	24838	0.3
NASDAQ	6950	0.2
S&P 500	2688	0.2
MSCI excl. Jap	711	0.9
Nikkei	22822	0.2
Shanghai Comp	3296	0.6
Hang Seng	29864	0.9
STI	3401	0.1
JCI	6314	0.6
Indo ETF (IDX)	24.72	0.5
Indo ETF (EIDO)	28.36	0.7

Currency

	Closing	Last Trade
US\$ - IDR	13557	13545
US\$ - Yen	112.87	112.75
Euro - US\$	1.1943	1.194
US\$ - SG\$	1.3378	1.3371

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	59.89	0.23	0.39
Oil Brent	66.2	-0.23	-0.35
Coal Newcastle	101.2	1.00	1.00
Nickel	12350	240	2.0
Tin	19925	230	1.2
Gold	1295.4	7.19	0.56
CPO Rott	687.5	-5.0	-0.72
CPO Malay	2415	39.0	1.64

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.34	-0.02	-0.32
3 year	5.82	-0.01	-0.12
5 year	5.97	-0.00	-0.03
10 year	6.34	0.00	0.00
15 year	6.94	-0.01	-0.09
30 year	7.19	-0.06	-0.86

CORPORATE NEWS – cont'd

DILD – PT Intiland Development plans to build wedding reception hall in Graha Golf, Surabaya. The project will be built on a 2.80-hectare land, with total investment value of IDR 25 billion.

TRAM – PT Trada Alam Minera conducted share crossing with PT SMR Utama (SMRU) of IDR 3.1 trillion. The action was carried out as TRAM's plan to take over 50.1% (or 6.26 billion shares) ownership in SMRU from PT Lautan Rizki Abadi.

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