

## DAILY UPDATE January 4, 2018

### MACROECONOMIC NEWS

**The Fed** - Federal Reserve officials in December debated the risks to the U.S. economic outlook, with some concerned about low inflation and others pointing to robust growth that was about to get a further boost from tax cuts. Most participants reiterated support for “continuing a gradual approach to raising the target range” for the benchmark policy rate, according to minutes of the Federal Open Market Committee’s Dec. 12-13 meeting released in Washington. U.S. central bankers raised interest rates by a quarter percentage point and penciled in three more hikes for 2018, according to the median estimate. Fed officials discussed several risks that could result in a faster pace of increases. “These risks included the possibility that inflation pressures could build unduly if output expanded well beyond its maximum sustainable level,” owing to fiscal stimulus or “accommodative” financial conditions, the minutes said.

**Australia Housing** - The first quarterly decline in Australian home values in almost two years may be a sign of what is to come. National dwelling values fell 0.3% in the last three months of 2017, the first such drop since the period ending April 2016, weighed by Sydney’s cooling property market, according to CoreLogic Inc. data released. Softer conditions throughout 2018 are likely as “Sydney’s housing market has become the most significant drag on the headline growth figures.”

### CORPORATE NEWS

**IKAI** – PT Intikeramik Alamsari Industri will conduct right issue by issuing 3.32 billion new shares. The exercise price is IDR 107/share, thus the result is estimated to reach IDR 355.65 billion.

**GEMS** – PT Golden Energi Mines will continue its plan for acquiring 4 affiliated companies of GMR Energy and GMR Infrastructure. All parties have signed conditional sale and purchase agreement and the transaction closing date has been extended from 31 December 2017 to 31 March 2018.

**PPRO** – PT Pembangunan Perumahan Properti booked IDR 3 trillion revenue (+21% YoY) and IDR 440 billion net income (+20% YoY).

### Equity Markets

|                 | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones       | 24923   | 0.4      |
| NASDAQ          | 7066    | 0.8      |
| S&P 500         | 2713    | 0.6      |
| MSCI excl. Jap  | 729     | 0.5      |
| Nikkei          | 23221   | 2.0      |
| Shanghai Comp   | 3369    | 0.6      |
| Hang Seng       | 30561   | 0.1      |
| STI             | 3476    | 0.3      |
| JCI             | 6251    | -1.4     |
| Indo ETF (IDX)  | 24.97   | -0.3     |
| Indo ETF (EIDO) | 28.37   | -0.6     |

### Currency

|             | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR  | 13475   | 13468      |
| US\$ - Yen  | 112.51  | 112.7      |
| Euro - US\$ | 1.2015  | 1.201      |
| US\$ - SG\$ | 1.3299  | 1.3305     |

### Commodities

|                | Last   | Price Chg | %Chg  |
|----------------|--------|-----------|-------|
| Oil NYMEX      | 61.81  | 1.39      | 2.30  |
| Oil Brent      | 67.87  | 1.33      | 2.00  |
| Coal Newcastle | 103.8  | 1.15      | 1.12  |
| Nickel         | 12415  | -205      | -1.6  |
| Tin            | 19900  | -140      | -0.7  |
| Gold           | 1308.3 | -11.88    | -0.90 |
| CPO Rott       | 695    | 5.0       | 0.72  |
| CPO Malay      | 2471.5 | 81.5      | 3.41  |

### Indo Gov. Bond Yields

|         | Last | Yield Chg | %Chg  |
|---------|------|-----------|-------|
| 1 year  | 5.11 | -0.04     | -0.72 |
| 3 year  | 5.75 | -0.01     | -0.21 |
| 5 year  | 5.86 | -0.00     | -0.02 |
| 10 year | 6.25 | -0.00     | -0.02 |
| 15 year | 6.88 | 0.00      | 0.02  |
| 30 year | 7.17 | 0.02      | 0.27  |

## CORPORATE NEWS – cont'd

**INRU** – PT Toba Pulp Lestari obtained USD 96.65 million loan from Pinnacle Company. The loan has to be repaid in 2029.

**BBRI** – PT Bank Rakyat Indonesia, through its subsidiary PT Bank Rakyat Indonesia Agroniaga plans to acquire 2 small banks this year to support its inorganic growth.

**PTPP** – PT PP targets IDR 2.1 trillion net profit and IDR 49.1 trillion new contract in 2018 (22% and 20% yoy growth respectively)

**TRAM** – PT Trada Alam Minera injects IDR 1.83 trillion to PT Semeru Infra Energi (SIE) and PT Black Diamond Energi (BDE). SIE and BDE will utilize the fund to repay loan.

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