

DAILY UPDATE January 10, 2018

MACROECONOMIC NEWS

US Economy - U.S. consumer credit outstanding rose in November by the most in 16 years as credit-card balances surged, Federal Reserve data showed. Total credit rose USD 28b (Consensus estimate USD 18b) or at an 8.8% annualized rate after a USD 20.5b gain in the prior month.

Germany Economy - German manufacturing orders unexpectedly fell 0.4% month-over-month in November.

China Economy - As the end of People's Bank of China Governor Zhou Xiaochuan's term approaches, a firmer yuan and calm markets are providing a window to get some of his long-term reforms back on track. The latest news in the two-steps forward, one-step back move to a more freely traded currency came, as Bloomberg reported the central bank has tweaked its management of the daily currency fixing, removing a hurdle to the influence of market forces. PBOC adviser Huang Yiping says that shows authorities' desire to further liberalize the exchange rate. The PBOC is adding transparency to its daily interactions with the money market, aiding Zhou's long quest to move to a price-based monetary framework. The central bank is also developing tools to rein in risks in banking and property markets after vocal warnings from Zhou on the risks of inaction on these fronts. By relaxing constraints on the market pricing of the yuan introduced last year, policy makers are encouraging a freer currency. China introduced the so-called counter-cyclical factor in a bid to reduce volatility in the yuan, which had weakened for three straight years, triggering the introduction of capital controls.

CORPORATE NEWS

TOTL – PT Total Bangun persada targets new contract to reach IDR 4 trillion, with target revenue of IDR 3.1 trillion.

NRCA – PT Nusa Raya Cipta targets new contract to reach IDR 3.8 trillion, up 15% from 2017 target of IDR 3.3 trillion.

MBAP – PT Mitrabara Adiperdana targets coal production to reach 4 million tons in 2018. Production in 9M2017 was recorded 2.85 million tons. To strengthen its coal business line, MBAP acquired 13.3% ownership of PT Dura Bara Utama in December 2017.

Equity Markets

	Closing	% Change
Dow Jones	25386	0.4
NASDAQ	7164	0.1
S&P 500	2751	0.1
MSCI excl. Jap	742	-0.0
Nikkei	23784	-0.3
Shanghai Comp	3414	0.0
Hang Seng	31009	-0.0
STI	3514	-0.3
JCI	6373	-0.2
Indo ETF (IDX)	25.26	-0.9
Indo ETF (EIDO)	28.75	-1.0

Currency

	Closing	Last Trade
US\$ - IDR	13438	13445
US\$ - Yen	112.65	112.3
Euro - US\$	1.1937	1.194
US\$ - SG\$	1.3356	1.3359

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	63.48	0.05	0.08
Oil Brent	69.23	0.04	0.06
Coal Newcastle	107		
Nickel	12695		
Tin	19950		
Gold	1310.7	0.69	0.05
CPO Rott	686.25		
CPO Malay	2515.5		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.07	-0.01	-0.20
3 year	5.63	-0.00	-0.04
5 year	5.77	0.02	0.37
10 year	6.20	0.02	0.24
15 year	6.73	0.01	0.07
30 year	7.13	0.01	0.08

CORPORATE NEWS – cont'd

SMGR – PT Semen Indonesia will focus on cost efficiency in 2018. SMGR allocates capex of IDR 6 trillion – 7 trillion, which will be used to fund a number of projects and factory development in Rembang, Central Java. Factory utilization is expected to increase from 86% to 90%.

TOBA – PT Toba Bara Sejahtera continues on its plan to issue global bonds up to USD 250 million or IDR 3.36 trillion. Coupon rate is 10% with 5 year maturity.

ARTI – PT Ratu Prabu Energi plans to construct LRT phase I in Jakarta with initial investment of USD 8 billion (or approximately IDR 108 trillion).

SMRA – PT Summarecon Agung succeeded to obtain IDR 3.56 trillion marketing sales in 2017 or equals to 102% of FY17's target.

TMPO – PT Tempo Inti Media targeted revenue to reach IDR 259.38 billion this year. The company will be focusing on the expansion of digital media business.

WSKT – PT Waskita Kaya expects to obtain IDR 170.5 trillion order book in 2018 (+20.4% YoY). From the total order book, the company estimates IDR 70 trillion new contract.

BBRI – PT Bank Rakyat Indonesia has provided IDR 69.47 trillion credit for business in 2017 or equals to 97.84% of initial target.

MYRX – PT Hanson International acquired IDR 499.98 billion through private placement.

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