

DAILY UPDATE November 2, 2018

MACROECONOMIC NEWS

US Labor - The number of Americans filing applications for new unemployment benefits fell last week, indicative of a tight labor market in which employers are reluctant to lay off workers. Initial jobless claims, a proxy for layoffs across the U.S., decreased by 2,000 to a seasonally adjusted 214,000 in the week ended Oct. 27, the Labor Department said Thursday. Jobless claims have remained low in recent years, as the labor market continues to tighten and managers face difficulty finding qualified employees. In September, the unemployment rate touched a 49-year low and hiring was steady. The Labor Department releases the October jobs report Friday, and economists expect the jobless rate to remain at 3.7%.

Indonesia Economy - The latest data from the Central Bureau of Statistics (BPS) show that Indonesia's inflation rate accelerated more than we had expected. Indonesia's CPI rose 0.28% MoM in October 2018 and 3.16% YoY. Monthly inflation at 0.28% is a relatively high number for Indonesia in the tenth month of the year. Over the past 5 years, monthly October inflation averaged 0.04% (excluding Oct 2014 when inflation soared 0.47% as newly inaugurated President Joko Widodo planned to raise subsidized fuel prices significantly). BPS Head Suhariyanto said there was an increase in prices in October 2018, especially prices of processed food items, rice and side dishes, air transportation tariffs, and cement. Meanwhile, higher prices of various fuels (which were raised per 10 October 2018) impacted on consumer prices.

CORPORATE NEWS

TPIA – PT Chandra Asri Petrochemical has utilized 36.7% of its FY18 capex budget or equivalent to USD 208.7 million up to 9M18 (+66.03% YoY). In addition, TPJA sets to complete the expansion of polypropylene (PP) plant by 4Q19 and the construction of methyl tertiary butyl ether (MTBE) and Butene-1 plant by 3Q20.

DNAR – PT Bank Dinar sets to merge with PT Bank Oke Indonesia. DNAR will be the surviving entity.

MYOH – PT Samindo Resources reports 39.5 bcm overburden removal (+11.3% YoY), 21.3 million coal hauling (+7% YoY) and 6.8 million tonnes coal production (-9.3% YoY) in 3Q18.

BTPN – PT Bank Tabungan Pensiunan Nasional targets micro segment credit growth of 15% in 2019.

Equity Markets

	Closing	% Change
Dow Jones	25381	1.06
NASDAQ	7434	1.75
S&P 500	2740	1.06
MSCI excl. Jap	593	1.47
Nikkei	21974	1.32
Shanghai Comp	2606	0.13
Hang Seng	25416	1.75
STI	3087	0.86
JCI	5836	0.07
Indo ETF (IDX)	20	3.33
Indo ETF (EIDO)	23	3.73

Currency

	Closing	Last Trade
US\$ - IDR	15128	15079
US\$ - Yen	112.72	112.78
Euro - US\$	1.1408	1.14
US\$ - SG\$	1.3764	1.3769

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	63.43	-1.6	-2.46
Oil Brent	72.7	-2.01	-2.69
Coal Newcastle	102.85	-2.35	-2.23
Nickel	11785	285	2.5
Tin	19100		
Gold	1232.8	16.2	1.33
CPO Rott	588.75	-5	-0.84
CPO Malay	2019.5		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.843	-0.04	-0.54
3 year	8.039	0.00	0.04
5 year	8.291	0.01	0.07
10 year	8.472	-0.01	-0.12
15 year	8.761	-0.01	-0.13
30 year	9.323	0.01	0.05

CORPORATE NEWS – cont'd

HEAL – PT Medikaloka Hermina plans to add one new hospital in Padang on 4Q 2018. Up to 3Q 2018, HEAL have utilized IDR 599.6 billion capex.

GMFI – PT Garuda Maintenance Facility announce its 2018 9m result:

GMFI (USD mn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Net Revenue	311	335	7.8%	110	107	111	0.9%	3.7%
Operating Profit	55	39	-29.4%	29	15	11	-62.9%	-28.2%
Pretax Earnings	52	36	-29.3%	24	17	9	-60.6%	-45.2%
Net Income	38	27	-29.3%	17	13	7	-60.4%	-46.3%
EPS (USD)	0.0014	0.0010	-29.3%	0.0006	0.0005	0.0002	-60.4%	-46.3%
<i>Operating Profit Margin</i>	<i>17.8%</i>	<i>11.7%</i>	<i>-6.1%</i>	<i>26.3%</i>	<i>13.9%</i>	<i>9.7%</i>	<i>-16.6%</i>	<i>-4.3%</i>
<i>Net Profit Margin</i>	<i>12.3%</i>	<i>8.1%</i>	<i>-4.2%</i>	<i>15.7%</i>	<i>11.9%</i>	<i>6.2%</i>	<i>-9.5%</i>	<i>-5.7%</i>

HRUM – PT Harum Energy announce its 2018 9m result:

HRUM (USD mn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	239	233	-2.5%	74	66	80	7.9%	20.7%
Gross Profit	79	74	-5.7%	26	19	24	-7.7%	23.2%
Operating Profit	52	42	-18.9%	17	10	10	-43.0%	-7.4%
Pretax Earnings	52	40	-22.8%	17	10	10	-40.2%	1.9%
Net Income	33	23	-31.1%	11	4	6	-49.4%	33.6%
EPS (USD)	0.0126	0.0089	-29.8%	0.0043	0.0018	0.0022	-49.5%	21.9%
<i>Gross Profit Margin</i>	<i>33.1%</i>	<i>32.0%</i>	<i>-1.1%</i>	<i>35.1%</i>	<i>29.4%</i>	<i>30.1%</i>	<i>-5.1%</i>	<i>0.6%</i>
<i>Operating Profit Margin</i>	<i>21.8%</i>	<i>18.1%</i>	<i>-3.7%</i>	<i>23.0%</i>	<i>15.8%</i>	<i>12.1%</i>	<i>-10.8%</i>	<i>-3.7%</i>
<i>Net Profit Margin</i>	<i>13.8%</i>	<i>9.8%</i>	<i>-4.0%</i>	<i>14.9%</i>	<i>6.3%</i>	<i>7.0%</i>	<i>-7.9%</i>	<i>0.7%</i>

TPIA – PT Chandra Asri announce its 2018 9m result:

TPIA (USD mn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	1,798	1,962	9.1%	603	591	676	12.2%	14.5%
Gross Profit	426	345	-19.0%	134	97	107	-20.0%	10.5%
Operating Profit	363	284	-21.8%	115	80	89	-22.7%	11.8%
Pretax Earnings	333	237	-28.7%	101	58	78	-22.4%	36.2%
Net Income	251	175	-30.4%	77	42	60	-22.6%	43.3%
EPS (USD)	0.0140	0.0098	-30.1%	0.0043	0.0024	0.0033	-22.4%	41.5%
<i>Gross Profit Margin</i>	<i>23.7%</i>	<i>17.6%</i>	<i>-6.1%</i>	<i>22.2%</i>	<i>16.4%</i>	<i>15.9%</i>	<i>-6.4%</i>	<i>-0.6%</i>
<i>Operating Profit Margin</i>	<i>20.2%</i>	<i>14.5%</i>	<i>-5.7%</i>	<i>19.1%</i>	<i>13.5%</i>	<i>13.2%</i>	<i>-5.9%</i>	<i>-0.3%</i>
<i>Net Profit Margin</i>	<i>14.0%</i>	<i>8.9%</i>	<i>-5.1%</i>	<i>12.8%</i>	<i>7.0%</i>	<i>8.8%</i>	<i>-4.0%</i>	<i>1.8%</i>

BRPT – PT Barito Pacific announce its 2018 9m result:

BRPT (USD mn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	2,101	2,357	12.2%	729	853	807	10.7%	-5.4%
Gross Profit	660	661	0.2%	236	307	216	-8.8%	-29.7%
Operating Profit	559	551	-1.4%	202	259	181	-10.3%	-30.1%
Pretax Earnings	450	391	-13.1%	168	160	141	-16.1%	-11.9%
Net Income	121	70	-41.9%	43	22	29	-33.1%	28.1%
EPS (USD)	0.0068	0.0040	-41.9%	0.0024	0.0013	0.0016	-33.1%	28.1%
<i>Gross Profit Margin</i>	<i>31.4%</i>	<i>28.0%</i>	<i>-3.4%</i>	<i>32.4%</i>	<i>36.0%</i>	<i>26.7%</i>	<i>-5.7%</i>	<i>-9.3%</i>
<i>Operating Profit Margin</i>	<i>26.6%</i>	<i>23.4%</i>	<i>-3.2%</i>	<i>27.7%</i>	<i>30.4%</i>	<i>22.4%</i>	<i>-5.2%</i>	<i>-7.9%</i>
<i>Net Profit Margin</i>	<i>5.8%</i>	<i>3.0%</i>	<i>-2.8%</i>	<i>5.9%</i>	<i>2.6%</i>	<i>3.6%</i>	<i>-2.3%</i>	<i>0.9%</i>

CORPORATE NEWS – cont'd

MNCN – PT Media Nusantara Citra announce its 2018 9m result:

MNCN (IDR bn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	5,382	5,530	2.8%	1,756	2,087	1,840	4.8%	-11.8%
Gross Profit	3,244	3,281	1.1%	1,130	1,261	1,082	-4.3%	-14.2%
Operating Profit	1,961	1,991	1.5%	714	660	803	12.4%	21.6%
Pretax Earnings	1,834	1,413	-23.0%	584	572	418	-28.3%	-26.9%
Net Income	1,122	989	-11.8%	347	362	353	1.7%	-2.7%
EPS (IDR)	84	74	-11.8%	26	27	26	1.7%	-2.7%
<i>Gross Profit Margin</i>	60.3%	59.3%	-1.0%	64.3%	60.4%	58.8%	-5.6%	-1.6%
<i>Operating Profit Margin</i>	36.4%	36.0%	-0.4%	40.7%	31.6%	43.6%	3.0%	12.0%
<i>Net Profit Margin</i>	20.8%	17.9%	-3.0%	19.7%	17.4%	19.2%	-0.6%	1.8%

EXCL - PT XL Axiata disclosed its 9M18 financial results:

EXCL(IDR bn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	16,903	16,892	-0.1%	5,969	5,545	5,846	-2.1%	5.4%
Operating Profit	1,263	648	-48.7%	576	145	365	-36.6%	151.7%
EBITDA	6,062	6,163	1.7%	2,121	2,081	2,072	-2.3%	-0.4%
Pretax Earnings	193	-273		167	-84	-118	-170.8%	40.5%
Net Income	238	-144		95	-97	-62	-165.2%	-36.1%
EPS (IDR)	22	-14		9	-9	-6	-172.1%	-28.9%
<i>Operating Profit Margin</i>	7.5%	3.8%	-3.6%	9.6%	2.6%	6.2%	-3.4%	3.6%
<i>EBITDA Margin</i>	35.9%	36.5%	0.6%	35.5%	37.5%	35.4%	-0.1%	-2.1%
<i>Net Profit Margin</i>	1.4%	-0.9%	-2.3%	1.6%	-1.7%	-1.1%	-2.7%	0.7%

LPKR – PT Lippo Karawaci announced its 3Q18 results:

LPKR (IDR bn)	9m 2017	9m 2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	7,434	8,585	15.5%	2,524	3,062	3,020	19.7%	-1.4%
Gross Profit	3,504	4,189	19.5%	1,176	1,553	1,491	26.8%	-4.0%
Operating Profit	1,274	1,698	33.3%	467	578	815	74.7%	41.0%
Pretax Earnings	1,161	2,100	80.8%	342	2,446	-646		
Net Income	625	470	-24.8%	138	1,014	-677		
EPS (IDR)	27.1	20.4	-24.8%	6.0	43.9	-29.3		
<i>Gross Profit Margin</i>	47.1%	48.8%	1.7%	46.6%	50.7%	49.4%	2.8%	-1.3%
<i>Operating Profit Margin</i>	17.1%	19.8%	2.6%	18.5%	18.9%	27.0%	8.5%	8.1%
<i>Net Profit Margin</i>	8.4%	5.5%	-2.9%	5.4%	33.1%			

TBLA – PT Tunas Baru Lampung reported its 9m2018 results:

TBLA (IDR Bn)	9m2017	9m2018	YoY	Q3 2017	Q2 2018	Q3 2018	YoY	QoQ
Revenue	6,609	6,290	-4.8%	2,366	1,862	2,288	-3.3%	22.9%
Gross Profit	1,640	1,674	2.1%	596	549	591	-0.9%	7.8%
Operating Profit	1,201	1,250	4.1%	426	410	441.5	3.6%	7.7%
Pretax Earnings	914	717	-21.6%	259	194	247	-4.5%	27.2%
Net Income	691	538	-22.2%	189	147	188	-0.6%	27.8%
EPS (IDR)	129	101	-22.2%	35	28	35	-0.6%	27.8%
<i>Gross Profit Margin</i>	24.8%	26.6%	1.8%	25.2%	29.5%	25.8%	0.6%	-3.6%
<i>Operating Profit Margin</i>	18.2%	19.9%	1.7%	18.0%	22.0%	19.3%	1.3%	-2.7%
<i>Net Profit Margin</i>	10.5%	8.5%	-1.9%	8.0%	7.9%	8.2%	0.2%	0.3%

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