

DAILY UPDATE November 7, 2018

MACROECONOMIC NEWS

Japan Economy – Japan's household spending slumped in September from a year earlier, government data showed on Tuesday, falling well short of economists' expectations and suggesting a slow recovery after an earthquake and typhoons hit consumption.

The surprise 1.6 percent decline in household spending in September was the exact opposite of the 1.6 percent annual increase forecast by economists, and follows a 2.8 percent yearly in August.

Third-quarter consumer spending is likely to be weak because the northern island of Hokkaido temporarily lost power in early September due to an earthquake and typhoons flooded important infrastructure in western Japan, economists say. Businesses have quickly rebounded from the natural disasters, but the weakness in consumer spending raises doubts about the strength of demand.

Spending fell in September due to a 1.8 percent annual decline in outlays on food and 3.0 percent annual decline in spending on leisure activities such as travel and gold.

Australia Economy - The Reserve Bank of Australia held rates again at its November meeting, in line with expectations. The central bank kept its cash rate unchanged at 1.5 per cent, as forecast by 39 out of 40 analysts polled by Reuters. The RBA last tweaked interest rates in August 2016, when it cut the key rate from 1.75 per cent to 1.5 per cent.

The RBA forecast for economic growth in 2018 and 2019 was however raised from "a bit above 3 per cent" to about 3.5 per cent on average over two years before slowing in 2020.

Commodities - Saudi Arabia raised December pricing for the medium and heavy crudes it sells to Asia, which are both similar to Iranian oil, as it sees robust demand for the grades amid energy sanctions on Iran. It cut monthly pricing for Arab Light crude to Asia, while lifting those on all of its grades to the U.S. and to Northwest Europe. Saudi Arabia is more likely to intervene verbally to support oil prices after U.S. midterm elections, SEB said. Iranian crude exports will fall to 1 million barrels a day beyond Nov. 5, according to Wood Mackenzie, which forecast Brent to average USD 74 a barrel in 2019.

Equity Markets

	Closing	% Change
Dow Jones	25635	0.68
NASDAQ	7376	0.64
S&P 500	2755	0.63
MSCI excl. Jap	605	0.34
Nikkei	22189	0.19
Shanghai Comp	2659	-0.23
Hang Seng	26121	0.72
STI	3082	0.71
JCI	5924	0.06
Indo ETF (IDX)	21	0.78
Indo ETF (EIDO)	23	0.86

Currency

	Closing	Last Trade
US\$ - IDR	14804	14765
US\$ - Yen	113.43	113.29
Euro - US\$	1.1427	1.144
US\$ - SG\$	1.3734	1.3729

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	61.83	-1.1	-1.79
Oil Brent	71.82	-1.14	-1.56
Coal Newcastle	103.5	-0.4	-0.38
Nickel	11775	25	0.2
Tin	19050	-25	-0.1
Gold	1227.7	-3.5	-0.28
CPO Rott	592.5		
CPO Malay	1946.5	-11.5	-0.59

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.744	-0.02	-0.25
3 year	7.801	0.00	-0.04
5 year	8.031	0.01	0.09
10 year	8.168	-0.01	-0.13
15 year	8.49	0.00	0.02
30 year	9.341	0.10	1.10

CORPORATE NEWS

ANTM – PT Aneka Tambang reports 24 ton gold sales up to October 2018, achieving FY18 target.

GMFI – PT Garuda Maintenance Facility Aero Asia plans to form JVs with European and American based companies to manage aircraft tire plant in 2019. Further, GMFI also plans to expand into aircraft engine rental services business.

FILM – PT MD Pictures reports IDR 232.8 billion sales revenue (+67% YoY) and IDR 96.7 billion net income (+30% YoY) up to 3Q18. Further, FILM has formed a new subsidiary, PT Paw Pic Studio with investment value amounting to IDR 10 billion.

SAPX – PT Satria Antaran Prima has fully paid-off their mandatory convertible bonds valued at IDR 67.3 billion to GD Express Carrier Bhd using the proceed from IPO. Further, SAPX targets to add 1,000 new outlets up to 2019.

SOSS – PT Shield on Service obtained IDR 41.25 billion from IPO. In addition, the company targets IDR 1 trillion revenue and IDR 20-30 billion net income in FY18 and +5-10% YoY net income growth in FY19.

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