

DAILY UPDATE November 29, 2018

MACROECONOMIC NEWS

The Fed - U.S. Federal Reserve Chair Jerome Powell injected investors with a strong dose of optimism on Wednesday, saying that the central bank's policy rate is now "just below" estimates of a level that neither brakes nor boosts a healthy U.S. economy, comments that many investors read as signaling the Fed's three-year tightening cycle is drawing to a close. The comments were a reversal from early last month, when Powell said the key interest rate was probably still a "long way" from a so-called neutral level and that the Fed might even tighten policy beyond that level.

US Housing - Home values are still rising, but the gains have now shrunk to the lowest level since January 2017, as rising mortgage rates cut into affordability. Prices increased 5.5 percent annually in September, down from 5.7 percent in August, according to the S&P CoreLogic Case-Shiller U.S. National Home Price Index. The 10-City Composite annual increase came in at 4.8 percent, down from 5.2 percent in the previous month. The 20-City Composite rose 5.1 percent year-over-year, down from 5.5 in the previous month.

US Housing - Sales of new U.S. homes slid sharply in October as higher mortgage rates and rising construction costs created significant headwinds for home builders. Purchases of newly built single-family homes fell 8.9% to a seasonally adjusted annual rate of 544,000 in October, the Commerce Department said Wednesday. From a year earlier, U.S. sales in October were down 12%. The 8.9% decline was the steepest since December last year and marked the fifth month of declines this year. While new-home sales represent a small segment of the overall housing market, they are important because they help drive economic growth through construction work, as well as sales of furniture and appliances. The lackluster new-home sales performance also underscores that the housing slowdown affects more than one segment of the market.

CORPORATE NEWS

FASW – PT Fajar Surya Wisesa targets sales growth of 15% - 20% yoy in 2019. FASW is currently in the process of acquiring a factory, which will push capacity by 23%. Currently, FASW have 1 operating factory in Bekasi with capacity of 1.3 million ton.

SATU – PT Kota Satu Properti targets addition of 5 hotels in Central Java to be managed in 2019.

Equity Markets

	Closing	% Change
Dow Jones	25366	2.50
NASDAQ	7292	2.95
S&P 500	2744	2.30
MSCI excl. Jap	613	1.06
Nikkei	22366	0.85
Shanghai Comp	2602	1.05
Hang Seng	26683	1.33
STI	3094	0.13
JCI	5991	-0.37
Indo ETF (IDX)	22	0.55
Indo ETF (EIDO)	25	0.77

Currency

	Closing	Last Trade
US\$ - IDR	14529	14458
US\$ - Yen	113.68	113.52
Euro - US\$	1.1366	1.1368
US\$ - SG\$	1.3729	1.3731

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	50.93	-0.9	-1.66
Oil Brent	59.36	-1.07	-1.77
Coal Newcastle	101.55		
Nickel	10800	25	0.2
Tin	18240	-35	-0.2
Gold	1222.2	7.8	0.64
CPO Rott	551.25	8.75	1.61
CPO Malay	1718	-31	-1.77

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.42	-0.01	-0.12
3 year	7.775	-0.01	-0.06
5 year	7.972	0.00	0.04
10 year	7.962	0.02	0.19
15 year	8.179	0.08	0.94
30 year	9.251	0.00	0.00

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CORPORATE NEWS – cont'd

BBCA – PT Bank Central Asia provides working capital loan to Pupuk Indonesia Holding Company (PIHC) amounting to IDR 7.1 trillion.

LUCK – PT Sentral Mitra Informatika aims for IDR 309.5 billion revenue and IDR 34.4 billion net income in 2019, up by +124.6% YoY and +104.8% YoY from this year's target, respectively.

BIPI – PT Astrindo Nusantara Infrastruktur obtained loan from several offshore creditors, the fund will be used to refinance some of their debt that amount to USD 300 million, due in 2019.

LPKR – PT Lippo Karawaci has completed the divestment of First REIT Manager and a partial sale of its First REIT shares, generating IDR 2.2 trillion proceeds. The company will divest more assets in the future with target proceed of more than IDR 6 trillion.

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