

DAILY UPDATE December 3, 2018

MACROECONOMIC NEWS

NAFTA - US President Donald Trump and leaders from Canada and Mexico have signed the successor to the North American Free Trade Agreement (Nafta). The revised deal has been renamed as the United States-Mexico-Canada Agreement, or USMCA. Renegotiating Nafta was a key pledge of Mr Trump's 2016 White House campaign. The US President claimed the update "changes the trade landscape forever". USMCA will govern more than USD 1 tn worth of trade between the countries.

World Trade - US President Donald Trump and his Chinese counterpart Xi Jinping have agreed to halt new trade tariffs for 90 days to allow for talks, the US says. At a post-G20 summit meeting in Buenos Aires, Mr Trump agreed not to boost tariffs on USD 200 bn of Chinese goods from 10% to 25% on 1 January. US says China agreed to "purchase a not yet agreed upon, but very substantial, amount of agricultural, energy, industrial, and other products from the United States to reduce the trade imbalance between our two countries". Both sides also pledged to "immediately begin negotiations on structural changes with respect to forced technology transfer, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft", the White House says.

Japan Economy - Japan's factory output expanded at its fastest pace in more than three-and-a-half years in October, offering evidence the economy started the current quarter with are bound from a contraction in a disaster-struck summer. The outlook for the coming months is less certain. Separate data showed inflation in Tokyo, an early indicator of nationwide price movements, remained at 1 percent for the third straight month, while unemployment increased slightly.

Industrial production jumped 2.9 percent from September, after falling in five of the previous six months, economy ministry data showed Friday. Economists forecast a gain of 1.2 percent. Output increased 4.2 percent from the same period a year earlier. Consumer prices excluding fresh food in Tokyo rose 1 percent in November, matching economists' forecasts. The jobless rate ticked up to 2.4 percent in October. The median estimate was 2.3 percent.

Equity Markets

	Closing	% Change
Dow Jones	25538	0.79
NASDAQ	7331	0.79
S&P 500	2760	0.82
MSCI excl. Jap	615	0.11
Nikkei	22612	1.17
Shanghai Comp	2588	0.81
Hang Seng	26507	0.21
STI	3167	1.60
JCI	6056	-0.84
Indo ETF (IDX)	22	-1.60
Indo ETF (EIDO)	25	-1.71

Currency

	Closing	Last Trade
US\$ - IDR	14302	14238
US\$ - Yen	113.57	113.63
Euro - US\$	1.1317	1.134
US\$ - SG\$	1.3724	1.3698

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.05	1.5	2.97
Oil Brent	61.75	2.1	3.52
Coal Newcastle	102.9	1.35	1.33
Nickel	11200	145	1.3
Tin	18400	-125	-0.7
Gold	1223.3	-0.5	-0.04
CPO Rott	552.5	2.5	0.45
CPO Malay	1762	29.5	1.70

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.349	-0.02	-0.28
3 year	7.686	0.00	-0.03
5 year	7.809	-0.01	-0.14
10 year	7.836	-0.03	-0.39
15 year	8.115	0.02	0.28
30 year	9.239	0.00	0.00

PT. Panin Asset Management

JSX Building Tower I, 3rd Floor

Jl. Jend. Sudirman Kav. 52-53 , Jakarta 12190

T : (021) 515-0595 , F : (021) 515-0601

CORPORATE NEWS

SMGR - PT Semen Indonesia claimed that the company's debt ratio is still safe after the acquisition of PT Holcim Indonesia, targeting debt to equity to reach 1.2x. SMGR obtains syndicated loan to fund the acquisition of SMCB shares with an effective interest rate of less than 5% (USD loan).

ANTM – PT Aneka Tambang reports 19,264 tons of nickel in ferronickel (TNi) production (+21% YoY), 1,478 kg gold production (+3% YoY) and 6.49 million Wet metric tons (Wmt) nickel ore production in 3Q18. On the selling side, ANTM reports 19,149 TNi ferronickel sales volume (+49% YoY), 22,388 kg gold sales volume (+221% YoY) and 4.1 million Wmt nickel ore sales volume (+99% YoY).

SMRA – PT Summarecon Agung's 400 ha project, Summarecon Mutiara Makassar sales has reached up to IDR 200 billion on project launching date.

ADHI – PT Adhi Commuter Properti (ACP), a subsidiary of PT Adhi Karya has started building the first tower of the Urban Signature project, East Jakarta. The total investment value is expected to reach IDR 2.6 trillion for the 6.2 ha project.

BBTN – PT Bank Tabungan Negara plans to issue subordinated debt worth IDR 2 trillion by next year.

Disclaimer

The analyst(s) whose work appears in this report certifies that his or her remuneration is not correlated to his or her judgment(s) on the performance of the company(ies).

The information and/or opinions contained in this report has been assembled by Panin Asset Management from sources which we deem to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. This report may not be reproduced, distributed or published by any recipient for any purpose. Any recommendations contained herein are based on a consideration of the securities alone, and as such are conditional and must not be relied upon as a solitary basis for investment decisions. Under no circumstances is this report to be used or considered as an offer to sell, or a solicitation of an offer buy.

All opinions and estimates herein reflect the author's judgment on the date of this report and are subject to change without notice. Panin Asset Management, its related companies, their officers, employees, representatives and agents expressly advise that they shall not be liable in any way whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise howsoever arising (whether in negligence or otherwise) out of or in connection with the contents of and/or any omissions from this communication.

Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should make their own independent assessment and seek professional financial advice before they make their investment decisions.

Due to its nature as an asset management firm, it is very much possible that Panin Asset Management and/or persons connected with it may, to the extent permitted by law, have long or short positions or may otherwise be interested in any transactions or investments (including derivatives) referred to in this publication. In addition, Panin Asset Management and/or its parent, Panin Sekuritas, and/or its affiliated companies may provide services for or solicit business from any company referred to in this publication.

The analyst(s) named in this report certifies that all of the views expressed by the analyst(s) in this report reflect the personal views of the analyst(s) with regard to any and all of the content of this report relating to the subject securities and issuers covered by the analyst(s) and no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst(s) in this report.

WE STRONGLY ADVISE INVESTORS TO CONSULT THEIR FINANCIAL ADVISOR BEFORE MAKING THEIR INVESTMENT DECISION. ALL INVESTMENT OPPORTUNITIES PRESENT SOME SORT OF RISK. INVESTORS SHOULD ASSESS THEIR RISK SENSITIVITY IN ORDER TO DETERMINE SUITABILITY OF AN INVESTMENT OPPORTUNITY ACCORDING TO THEIR RISK PROFILE.