

DAILY UPDATE December 4, 2018

MACROECONOMIC NEWS

US Production - American factory activity was stronger than expected in November, as companies rushed through orders before the end of the year to get ahead of expected tariff increases. The Institute for Supply Management on Monday said its manufacturing index rose to 59.3 in November from 57.7 in the previous month. Readings above 50 indicate activity is expanding across the manufacturing sector, while numbers below 50 signal contraction. The report was compiled before this weekend's announcement of a trade truce between the U.S. and China. Tim Fiore, who oversees the ISM survey of factory purchasing and supply managers, said companies last month had been "moving very aggressively getting material delivered for the first quarter before Dec. 31" due to expected tariff increases in January. The U.S. announcement it would postpone its threat to increase tariffs on USD 200 billion in Chinese goods to 25% from 10% is "definitely a positive move," Mr. Fiore said.

Indonesia Economy - Indonesia's annual inflation rate accelerated for a second straight month in November, the statistics bureau said, against an expectation for price pressures to ease. The consumer price index rose 3.23% in November from a year earlier, the statistics bureau chief Suhariyanto said, attributing the increase to rising prices of some food products and airfares. On a monthly basis, it rose 0.27%.

October's rate was 3.16%, while a Reuters poll had expected a November annual inflation rate of 3.15%. The November rate was still well within the central bank's target range of 2.5-4.5% for 2018. The annual core inflation rate, which excludes government-controlled and volatile prices, also picked up more than expected in November to 3.03%, from 2.94% in October.

Australia Housing - Sydney's property downturn accelerated in November, propelling nationwide house prices to the biggest monthly drop since the global financial crisis, as credit curbs and buyer nerves continue to bite. Nationwide home values fell 0.7% last month, led by a 1.4% drop in Sydney and 1% in Melbourne, according to CoreLogic Inc. data released.

Equity Markets

	Closing	% Change
Dow Jones	25826	1.13
NASDAQ	7442	1.51
S&P 500	2790	1.09
MSCI excl. Jap	629	2.35
Nikkei	22501	-0.33
Shanghai Comp	2655	2.57
Hang Seng	27182	2.55
STI	3185	-0.17
JCI	6118	1.03
Indo ETF (IDX)	23	2.22
Indo ETF (EIDO)	25	2.18

Currency

	Closing	Last Trade
US\$ - IDR	14244	14305
US\$ - Yen	113.66	113.46
Euro - US\$	1.1354	1.1355
US\$ - SG\$	1.3673	1.3676

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.15	0.1	0.19
Oil Brent	61.79	0.04	0.06
Coal Newcastle	102.45	-0.45	-0.44
Nickel	11250	50	0.4
Tin	18865	465	2.5
Gold	1232.8	9.5	0.77
CPO Rott	546.25	-6.25	-1.13
CPO Malay	1762		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.332	-0.02	-0.27
3 year	7.613	0.00	-0.01
5 year	7.778	0.00	0.04
10 year	7.83	0.00	0.00
15 year	8.079	0.00	0.01
30 year	9.239	0.00	0.00

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CORPORATE NEWS

WIKA – PT Wijaya Karya reports new contracts achievement of IDR 28.5 trillion up to 10M 2018, achieving 49.07% from FY18 new contracts target of IDR 58 trillion. WIKA targets IDR 70 trillion new contracts in 2019, up by 20.7% yoy from FY18 target. In addition, WIKA targets IDR 3-4 trillion proceed from the IPO of its two subsidiaries, PT Wijaya Karya Realty in 1H19 and PT Wika Industri Konstruksi in 2H19.

UNTR – PT United Tractors allocates USD 800 million capex budget in 2019, up by USD 50 million from FY18 capex budget. The proceed will primarily be used for PT Pamapersada Nusantara (PAMA).

BMRI – PT Bank Mandiri through its subsidiary, PT Mandiri Capital Indonesia (MCI), plans to partner with 6 – 8 local financial technology company in 2019.

SCMA – PT Surya Citra Media will distribute IDR 20 per share 2018 interim cash dividend. The cum dividend date is on 10 December 2018.

TOBA – PT Toba Bara Sejahtera obtained USD 120 million loan from PT Bank Mandiri (BMRI) and PT Bank KEB Hana Indonesia that is due on 30 June 2022. The fund will be used for refinancing, acquisition, and for general corporate purposes.

UNSP – PT Barkrie Sumatera Plantations plans to expand toward sugar cane business by cooperating with a sugar company in 1Q19 and then proceed to shift 3,352 ha of its rubber plantation in Lampung to sugar cane plantation in phases.

IKAI – PT Intikeramik Alamsri Industri acquires 99% shares of PT Hotel Properti Internasional (HPI) worth IDR 58 billion and 70% shares of PT Saka Mitra Sejati (SMS) worth IDR 40.1 billion.

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