

DAILY UPDATE December 5, 2018

MACROECONOMIC NEWS

Japan Economy - Growth in Japan's services sector eased slightly in November but remained near six-month highs, bolstering views that the economy is recovering from a recent soft patch, a private survey found. The Markit/Nikkei Japan Services Purchasing Managers Index (PMI) stood at 52.3 on a seasonally adjusted basis, slipping only marginally from October's six-month high of 52.4. It marked the 26th straight month that the index held above the 50 threshold that separates expansion from contraction.

The services data builds "a stronger case for a rebound in the Q4 GDP number," said Joe Hayes, economist at IHS Markit, which compiles the survey. A preliminary estimate out last month showed Japan's economy contracted by an annualised rate of 1.2 percent in the third quarter. Hayes said reports from panel members suggested that demand was solid enough for companies to raise prices. If core inflationary pressures on the service-side of the economy builds, that bodes well for the Bank of Japan as it struggles to accelerate inflation to its 2 percent target, despite more than five years of massive monetary stimulus. The composite PMI, which includes both manufacturing and services, fell to 52.4 in November from the previous month's 52.5.

Turkey Economy - Turkish inflation fell in November after hitting a peak of more than 25 per cent the previous month, in a sign that the worst of the country's economic crisis may be behind it.

Prices were 21.62 per cent higher than a year ago, according to data from Turkstat, the official statistics agency. The reading was better than economists had expected. Analysts polled by Reuters had forecast the annual rate of consumer price inflation to slow from 25.24 per cent in October to 22.58 per cent last month.

Inflation has eased as the lira has recovered and oil prices have tumbled, easing pressure on import prices. Tax cuts have also helped. After hitting a low of around 7.2 lira to the dollar during the summer, the Turkish currency has steadily recovered since the start of September to stand around TL5.15 in Monday morning trading. Analysts at Goldman Sachs cautioned last week that inflation may still have further to run. Goldman predicted that the annual rate of consumer price inflation would peak at around 27 per cent in the first quarter of 2019, before falling to 15 per cent by the end of the year.

Equity Markets

	Closing	% Change
Dow Jones	25027	-3.10
NASDAQ	7158	-3.80
S&P 500	2700	-3.24
MSCI excl. Jap	628	-0.19
Nikkei	21817	-0.99
Shanghai Comp	2666	0.42
Hang Seng	27260	0.29
STI	3132	-1.13
JCI	6153	0.56
Indo ETF (IDX)	22	-1.97
Indo ETF (EIDO)	25	-1.94

Currency

	Closing	Last Trade
US\$ - IDR	14292	14365
US\$ - Yen	112.77	112.86
Euro - US\$	1.1343	1.1338
US\$ - SG\$	1.3653	1.366

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.73	-0.4	-0.79
Oil Brent	61.48	-0.31	-0.50
Coal Newcastle	102.85	0.4	0.39
Nickel	11150	-100	-0.9
Tin	19175	310	1.6
Gold	1236.9	4.1	0.33
CPO Rott	557.5	11.25	2.06
CPO Malay	1781.5	19.5	1.11

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.332	-0.02	-0.27
3 year	7.67	0.00	-0.04
5 year	7.805	0.00	0.01
10 year	7.845	0.01	0.18
15 year	8.088	0.01	0.09
30 year	9.239	0.00	0.00

CORPORATE NEWS

ANTM – PT Aneka Tambang plans to allocate IDR 3.4 trillion capex budget in 2019. Most will be used to fund expansion and the rest is for working capital and for capital injection to subsidiaries.

BCAP – PT MNC Kapital Indonesia's subsidiary, PT MNC Guna Usaha Indonesia (MNC Leasing) reported IDR 850 billion new booking up to 10M18, achieving 85% of 2018 booking target. In addition, the company targets IDR 1.2-1.5 trillion new booking in 2019.

MERK – PT Merck has finalized the divestment of its consumer health segment to Procter & Gamble (P&G). The transaction value amount to IDR 1.4 trillion.

ATIC – PT Anabatic Technologies allocates IDR 105 billion capex budget in 2019. Most will be used for working capital and for expansion in regional market.

UNTR – PT United Tractors through PT Danusa Tambang Nusantara completed the acquisition of 95% shares in PT Agincourt Resources, a company that operate Martabe gold mine in North Sumatera. The transaction value amount to USD 1 billion.

OKAS – PT Ancora Indonesia Resources plans to restructure USD 62 million loan, of which USD 12 debt million belongs to OKAS and the rest from its subsidiary, PT Multi Nitrotama Kimia (MNK). OKAS may conduct rights issue or bonds issuance to fund existing debt.

MYOH – PT Samindo Resources targets overburden removal of 58.1 million bcm in 2019, up by 6.6% yoy from FY18 target. MYOH targets 10.7 million ton coal production in 2019, up by 8.2% yoy. In addition, MYOH allocates USD 17.7 million capex budget in 2019, up by 28.2% yoy.

INDY – PT Indika Energy will distribute IDR 283.6 billion or equivalent to IDR 54.43 per share 2018 interim cash dividend. The cum dividend date is on 11 December 2018.

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