

DAILY UPDATE January 3, 2019

MACROECONOMIC NEWS

Indonesia Economy – Indonesia's December annual inflation rate eased, but the pace was quicker than expected, data from the statistics bureau showed. The annual inflation rate in December was 3.13%, the bureau said, lower than November's 3.23%, but quicker than the median forecast of 2.98% in a Reuters poll. The December rate was well within Bank Indonesia's target range of 2.5-4.5% for 2018. On a monthly basis, the consumer price index rose 0.62% due to rising food prices and transportation fares. The annual core inflation rate, which excludes government-controlled and volatile prices, was 3.07%, matching the poll's prediction and representing a slight acceleration from November's 3.03%. BI raised interest rates six times last year to defend the rupiah, which hit its lowest in 20 years in October. However, the currency pared some losses closer to the end of the year due to capital inflows.

Venezuela Economy – Venezuela, once Latin America's largest oil exporter, ended 2018 with a whimper as overseas sales dropped to the lowest in nearly three decades. Home to the world's biggest crude reserves, the country exported 1.245 million barrels a day last year, the lowest since 1990, as production tumbles amid an economic and humanitarian crisis. Financial sanctions imposed by the U.S. have further tightened the screws on Venezuela's ailing economy, while creditors have sought seize its assets including oil cargoes and its prized Citgo refineries in the U.S. Falling exports compound the pain, as oil is the country's main source of revenue and bankrolls the regime of president Nicolas Maduro. The OPEC member's crude production fell by more than half in the past five years to a daily average of 1.346 million barrels this year, according to OPEC secondary source data.

CORPORATE NEWS

MEDC – PT Medco Energi Internasional through Medco Energi Global Pte Ltd plans to acquire Ophir Energy Plc, a London-based exploration company that produces oil and gas with operational assets in Africa, Asia and Mexico. If the acquisition is accomplished, MEDC production capacity will increase to 110 thousand BOEPD from 85 thousand BOEPD.

Equity Markets

	Closing	% Change
Dow Jones	23346	0.08
NASDAQ	6666	0.46
S&P 500	2510	0.13
MSCI excl. Jap	586	-1.83
Nikkei	20015	-0.31
Shanghai Comp	2465	-1.15
Hang Seng	25130	-2.77
STI	3039	-0.97
JCI	6181	-0.22
Indo ETF (IDX)	22	1.61
Indo ETF (EIDO)	25	1.65

Currency

	Closing	Last Trade
US\$ - IDR	14458	14458
US\$ - Yen	108.88	107.69
Euro - US\$	1.1344	1.1346
US\$ - SG\$	1.3665	1.3669

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	45.48	-0.3	-0.74
Oil Brent	54.11	0.31	0.58
Coal Newcastle	101.1	-0.95	-0.93
Nickel	10875	185	1.7
Tin	19480	5	0.0
Gold	1286.3	7.2	0.57
CPO Rott	580	15	2.65
CPO Malay	1952.5		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.951	0.62	9.78
3 year	7.937	0.00	-0.01
5 year	7.949	0.01	0.14
10 year	8.053	0.01	0.08
15 year	8.24	0.00	0.05
30 year	9.101	0.00	0.00

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CORPORATE NEWS – cont'd

BEST – PT Bekasi Fajar Industrial Estate reports IDR 1.04 trillion marketing sales in 2018 from sales of 34.5 ha land. BEST allocates IDR 600 billion capex budget for 2019.

ARNA – PT Arwana Citramulia targets IDR 2.05 trillion - 2.09 trillion sales and IDR 180 billion net income in 2019, growing by 8%-10% yoy and 20% yoy respectively.

INDY – PT Indika Energy has received syndicated loan facility worth USD 75 million or equivalent to IDR 1 trillion from ICICI Bank Ltd, MUFG Bank Ltd and PT Bank Mandiri (BMRI). The fund will be used to develop its subsidiaries and also to build and develop its own ship dock.

BBTN – PT Bank Tabungan Negara targets to acquire two subsidiaries that operates in insurance and investment management sectors in 2019. The company has previously allocated IDR 700 billion to acquire four subsidiaries.

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