

DAILY UPDATE January 4, 2019

MACROECONOMIC NEWS

Hong Kong Housing - After an almost 15-year bull run that made Hong Kong notorious for having the world's least affordable property market, home prices have taken a battering. Values in the city have fallen for 13 weeks straight since August, the longest losing streak since 2008, figures from Centaline Property Agency Ltd. show. Concerns about higher borrowing costs and a looming vacancy tax have contributed to the slide. The strike rate of mainland Chinese developers successfully bidding for residential sites is also waning, tumbling to 27% in 2018 from 70% in 2017, JLL's Residential Sales Market Monitor released showed. Of the 11 residential sites tendered by authorities last year, only three were won by Chinese companies.

US Labor – The number of Americans filing applications for new unemployment benefits rose by more than expected last week, but remained at a low level indicative of a tight labor market. Initial jobless claims, a proxy for layoffs across the U.S., increased by 10,000 to a seasonally adjusted 231,000 in the week ended Dec. 29, the Labor Department said Thursday. Jobless claims ended the year around the lowest levels since the late 1960s, when the U.S. population was about 62% of its current size. Claims touched a 49-year low of 202,000 in mid-September before rising modestly following two hurricanes striking the Southern U.S., causing disruptions to some businesses. More broadly, the U.S. labor market is extraordinarily tight, leaving businesses reluctant to let workers go. The unemployment rate held at 3.7% in November, matching a nearly half-century low, and economists expect it declined further to 3.6% in December.

CORPORATE NEWS

KLBF – PT Kalbe Farma extended its partnership cooperation agreement with three Kamboja-based companies including, DKSH Cambodia, Intermedica Co. Ltd., and Alliance Pharma. In addition, KLBF has just signed a new partnership cooperation agreement with Yul Diversity Kamboja for exclusive distribution of diabetasol product in Kamboja.

CMPP – PT Air Asia Indonesia plans to issue perpetual bond worth USD 80 million or equivalent to IDR 1.17 trillion in three phases. The proceeds will be used to maintain the equity position of the company and also to pay-off debts.

Equity Markets

	Closing	% Change
Dow Jones	22686	-2.83
NASDAQ	6464	-3.04
S&P 500	2448	-2.48
MSCI excl. Jap	579	-1.10
Nikkei	19307	-3.53
Shanghai Comp	2464	-0.04
Hang Seng	25064	-0.26
STI	3004	-0.30
JCI	6221	0.64
Indo ETF (IDX)	22	-1.24
Indo ETF (EIDO)	25	-1.15

Currency

	Closing	Last Trade
US\$ - IDR	14417	14343
US\$ - Yen	107.68	107.58
Euro - US\$	1.1394	1.1409
US\$ - SG\$	1.3641	1.3626

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	46.75	1.3	2.79
Oil Brent	55.46	1.35	2.49
Coal Newcastle	99.6	-1.5	-1.48
Nickel	10875		
Tin	19570	90	0.5
Gold	1297.9	11.6	0.90
CPO Rott	580		
CPO Malay	2020.5	68	3.48

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.951	0.62	9.78
3 year	7.949	0.01	0.06
5 year	7.982	0.00	0.00
10 year	8.093	0.00	-0.03
15 year	8.251	0.02	0.18
30 year	9.079	-0.02	-0.17

CORPORATE NEWS – cont'd

SMSM – PT Selamat Sempurna targets sales growth of +15% yoy in 2019.

SMRA – PT Summarecon Agung targets IDR 4 trillion marketing sales in 2019.

GOOD – PT Garudafood Putra Putri Jaya will soon begin operation of 2 production facility located in Java. Up to 12M 2018, development of production facility in Rancaekek, West Java have reached 80%. Both facilities is expected to begin operation in 2019.

BNII – PT Bank Maybank Indonesia targets credit growth of 10%-11% in 2019.

TAXI – PT Express Transindo Utama plans to issue up to 10 billion new shares in private placement that will be gradually swapped with its 2014 bond that is set to mature on 24 June 2019. Initially, TAXI will swap IDR 400 billion debt to equity after securing shareholders' approval, followed by IDR 600 billion through issuance of convertible bond. However, TAXI have successfully sold its asset worth IDR 419.44 billion, hence the principal of convertible bond becomes IDR 180.56 billion which will be converted to new shares. Total new shares (IDR 580.56 billion) represents 73.02% of issued shares.

SRTG – PT Saratoga Investama Sedaya once again increased its ownership in PT Merdeka Copper Gold (MDKA) from 4.42% to 20.75%. The company has bought another 680.25 million shares of MDKA worth up to IDR 1.99 trillion from PT Trimitra Karya Jaya.

BBKP – PT Bank Bukopin targets consumer credit to grow by +10% YoY in 2019, above last year achievement of +7% YoY.

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