

DAILY UPDATE January 8, 2019

MACROECONOMIC NEWS

US Economy - The pace of growth across most of the U.S. economy slowed by more than expected in December, although activity continued to expand at a healthy rate. The Institute for Supply Management on Monday said its nonmanufacturing purchasing managers index—tracking a range of U.S. industries such as health care, finance, construction and agriculture—fell to 57.6 in December from 60.7 in November. That was well below economists' expectations for a 58.4 reading, although a reading above 50 indicates activity is expanding across service and other industries. "It is a little bit of cooling off, but it's still a good operating rate of growth," said Anthony Nieves, head of the ISM survey, of the December result. "The business outlook is still good, even though there are concerns surrounding the tariffs," Mr. Nieves said, referring to trade tension between the U.S. and China. He also cited the government shutdown, which began Dec. 22, as a source of concern among companies last month. "People will hold back on some capital expenditures just to wait and see how things pan out" given the current geopolitical situation, Mr. Nieves said.

US Jobs - U.S. employers dramatically stepped up their hiring in December, adding 312,000 jobs in an encouraging display of strength for an economy in the midst of a trade war, slowing global growth and a partial shutdown of the federal government. The Labor Department said that the unemployment rate rose slightly to 3.9%, but that reflected a surge in jobseekers- a positive for growth. Average hourly pay improved 3.2% from a year ago, up from average wage growth of 2.7% at the end of 2017.

CORPORATE NEWS

PPRO – PT PP Properti reports IDR 3.4 trillion marketing sales achievement in 2018, growing by +12% yoy. In 2019, PPRO targets IDR 3.7 trillion marketing sales.

MBAP – PT Mitrabara Adiperdana targets 4 million ton coal production in 2019, same as 2018's production target.

BOSS – PT Borneo Olah Sarana Sukses have recently started working on its subsidiary's mining concession. BOSS targets 50% revenue growth in 2019.

Equity Markets

	Closing	% Change
Dow Jones	23531	0.42
NASDAQ	6823	1.26
S&P 500	2550	0.70
MSCI excl. Jap	597	1.51
Nikkei	20120	0.41
Shanghai Comp	2533	0.72
Hang Seng	25836	0.82
STI	3103	0.02
JCI	6287	0.20
Indo ETF (IDX)	23	0.31
Indo ETF (EIDO)	26	0.54

Currency

	Closing	Last Trade
US\$ - IDR	14083	14003
US\$ - Yen	108.72	108.53
Euro - US\$	1.1474	1.1459
US\$ - SG\$	1.3562	1.3565

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	48.81	0.2	0.47
Oil Brent	57.69	-0.04	-0.07
Coal Newcastle	99.05	-0.45	-0.45
Nickel	11155	45	0.4
Tin	19750	200	1.0
Gold	1288.4	2.3	0.18
CPO Rott	577.5	-3.75	-0.65
CPO Malay	2039	8.5	0.42

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.764	-0.02	-0.32
3 year	7.831	0.00	-0.01
5 year	7.794	-0.01	-0.10
10 year	7.873	-0.01	-0.10
15 year	8.198	0.00	0.00
30 year	9.08	0.01	0.13

CORPORATE NEWS – cont'd

SMBR – PT Semen Baturaja reports 2.17 million ton sales volume in 2018, up by +24% yoy.

INDY – PT Indika Energy targets construction of fuel storage project to begin in 2Q 2019 and operation to start in 2020.

KINO – PT Kino Indonesia allocates approximately IDR 200 billion capex budget in 2019. The fund will primarily be used to increase production capacity.

BMRI – PT Bank Mandiri plans to issue debt instruments worth IDR 40 trillion, to support the credit expansion of the company that is targeted to grow by 12-13% YoY in 2019. The debt instruments will be issued in foreign and local currency.

JSMR - PT Jasa Marga plans to ask for the shareholders' approval at the EGM to reduce its dividend payout ratio for FY2018 from previously 20% to maximum 10%, as the company needs to build up sufficient capital to carry out expansions.

BBCA – PT Bank Central Asia reported 15% YoY credit growth in FY 2018 and targets 10% YoY credit growth in 2019.

INTA – PT Intraco Penta targets IDR 2.4 trillion revenue in 2019, up by 20% YoY.

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