

DAILY UPDATE January 11, 2019

MACROECONOMIC NEWS

Australia Housing - National house prices fell 1.3% in December, the largest monthly fall since 1983, which resulted in an annual decline of 6.1% last year. Prices in Sydney, the country's biggest property market, are down 11.1% from their peak, according to Morgan Stanley, which warned this week the slump could torpedo Australia's run of 27 years without a recession, a modern global record. The slump in prices marks the end of a five-year expansion that saw prices in Sydney rise by 70% and household debt surge above 120% of GDP, one of the highest levels in the developed world. The correction coincides with price declines in many overseas markets as central banks begin to unwind record-low interest rates and fears mount over a slowdown in global growth.

Japan Economy - Japan's household spending fell more than expected in November to mark the third straight month of year-on-year declines, government data showed on Friday, adding to growing uncertainties about the country's fragile economic recovery. Household spending in November fell 0.6 percent from a year earlier, more than a median market forecast for a 0.1 percent drop and bigger than the previous month's 0.3 percent decline.

China Economy - China's producer inflation rose less than expected for the month of December to hit the lowest growth rate in two years, official data showed on Thursday.

The Producer Price Index in December rose 0.9 percent from a year ago, lower than the 1.6 percent economists were expecting in a Reuters poll. The index, which measures price increases before they reach the consumer, was also the lowest since September 2016, according to Reuters' records. PPI in December was much lower than the 2.7 percent year-on-year increase in November.

China's Consumer Price Index — a gauge of prices for goods and services — rose 1.9 percent on year in December, lower than economists' expectations of a 2.1 percent growth, according to a Reuters' poll. The CPI rose 2.2 percent in November.

The latest data brought China's PPI for January to December 2018 a rise of 3.5 percent, while full-year CPI was up 2.1 percent — below Beijing's target of 3 percent in consumer inflation for the entire year.

Equity Markets

	Closing	% Change
Dow Jones	24002	0.51
NASDAQ	6986	0.42
S&P 500	2597	0.45
MSCI excl. Jap	610	0.38
Nikkei	20345	0.90
Shanghai Comp	2548	0.50
Hang Seng	26623	0.38
STI	3204	0.64
JCI	6354	0.41
Indo ETF (IDX)	23	2.27
Indo ETF (EIDO)	27	1.87

Currency

	Closing	Last Trade
US\$ - IDR	14053	14072
US\$ - Yen	108.43	108.39
Euro - US\$	1.15	1.1516
US\$ - SG\$	1.3526	1.3524

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.3	0.6	1.08
Oil Brent	61.25	0.47	0.77
Coal Newcastle	97.85	-0.25	-0.25
Nickel	11250		
Tin	20140	75	0.4
Gold	1289.6	-3.2	-0.25
CPO Rott	578.75	-6.25	-1.07
CPO Malay	2036	-6.5	-0.32

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.606	-0.05	-0.81
3 year	7.761	0.01	0.14
5 year	7.885	0.02	0.27
10 year	7.966	0.03	0.37
15 year	8.363	0.07	0.82
30 year	9.024	-0.01	-0.11

CORPORATE NEWS

TCPI - PT Transcoal Pacific allocates IDR 700 billion capex budget in 2019. The fund will be used to purchase mother vessel, floating crane and a number of pusher boats.

JPFA – PT Japfa Comfeed Indonesia allocates IDR 3 trillion capex budget in 2019, of which 20%-25% will be used for maintenance.

POLI – PT Pollux Investasi International targets IDR 520 billion marketing sales in 2019, up by +26.5% yoy.

CLEO – PT Sariguna Primatirta acquires the bottled water segment assets and also the brand of SuperO2 Sportivo bottled water from PT Triusaha Mitraraharja (Tudung Group) in Sukabumi, West Java to increase the company's profitability.

ADHI – PT Adhi Karya booked IDR 23.7 trillion new contracts in FY18, achieving 3% above target. Further, ADHI targets IDR 28.4 trillion new contracts in 2019, up by 20% YoY. The company will still focus on infrastructure projects this year.

PPRO – PT PP Properti together with five other state-owned companies will form a JV to develop rest area on Batang-Semarang toll road worth IDR 63.42 billion. The companies include, PT PP (PTPP), PT Jasamarga Properti, PT Waskita Karya (WSKT), PT Perkebunan Nusantara IX and PT Rajawali Nusantara Indonesia (RNI). PPRO will have 10% stake in the JV.

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