

## DAILY UPDATE January 30, 2019

### MACROECONOMIC NEWS

**US Economy** - Consumer confidence dropped in January for a third consecutive month, likely hit by political discord in Washington, in addition to market and economic uncertainty weighing on U.S. households. The Conference Board on Tuesday said its index of U.S. consumer confidence fell to 120.2 in January from 126.6. It is now down 17.7 points from October, marking the largest three-month decline since October 2011. Economists surveyed by The Wall Street Journal had expected a drop, albeit a less dramatic one. Darkening expectations for the economy's performance in the months ahead drove January's confidence decline.

**US Housing** - Home-price growth continued to ease off the accelerator in November, bolstering economists' predictions that price growth could slow to be more in line with increases in incomes and inflation this year. The S&P CoreLogic Case-Shiller National Home Price Index, rose 5.2% in the year ending in November, down from a 5.3% increase reported in October. Price growth slowed considerably in the final months of last year compared to the beginning of the year when prices were growing more than 6%. Many economists expect it to slow even further this year, with price growing in line with inflation at around 2% or 3%. That could be welcome news for buyer who have been struggling with affordability as mortgage rates rose late last year.

**World Trade** - Steven Mnuchin, the US Treasury secretary, revealed plans for Mr Trump's encounter with Mr Liu, just before the US Department of Justice unveiled criminal charges against Huawei, the Chinese telecommunications company, potentially throwing a wrench into the talks. Mr Mnuchin had told reporters there had been "significant movement" in the negotiations but that "very complicated issues" remained. The discussions in Washington on Wednesday and Thursday represent the first face-to-face cabinet-level discussions with China since a steak dinner at the G20 summit in Buenos Aires in December, when Mr Trump and Chinese president Xi Jinping struck a three-month long ceasefire in their trade war. If no deal is reached by March 2, tariffs on \$200bn of Chinese imports are set to increase from 10 per cent to 25 per cent, which could rattle financial markets and exacerbate fears of a global economic slowdown.

### Equity Markets

	Closing	% Change
Dow Jones	24580	0.21
NASDAQ	7028	-0.81
S&P 500	2640	-0.15
MSCI excl. Jap	629	-0.20
Nikkei	20592	-0.35
Shanghai Comp	2594	-0.10
Hang Seng	27532	-0.16
STI	3182	-0.16
JCI	6436	-0.34
Indo ETF (IDX)	23	-0.97
Indo ETF (EIDO)	27	-0.71

### Currency

	Closing	Last Trade
US\$ - IDR	14094	14088
US\$ - Yen	109.4	109.33
Euro - US\$	1.1433	1.1431
US\$ - SG\$	1.3521	1.3519

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.3	1.1	2.13
Oil Brent	61.34	1.2	2.00
Coal Newcastle	99.2	-0.25	-0.25
Nickel	12120	295	2.5
Tin	20700	25	0.1
Gold	1311.3	8.3	0.63
CPO Rott	598.75	2.5	0.42
CPO Malay	2128	33	1.58

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.621	-0.05	-0.68
3 year	7.815	-0.02	-0.26
5 year	8.006	0.00	0.00
10 year	8.154	0.00	-0.04
15 year	8.512	0.00	-0.02
30 year	8.961	-0.08	-0.84

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## CORPORATE NEWS

**TBIG** – PT Tower Bersama Infrastructure targets tenancies to increase by 3000 units in 2019, up by +20% yoy.

**KBLM** – PT Kabelindo Murni targets sales growth of 25% in 2019.

**WSKT** – PT Waskita Karya's subsidiary, PT Waskita Karya Realty reported 9 project pipelines throughout 2019-2024 with gross development value of up to IDR 74.35 trillion. The company is optimistic for net income to grow by 54.5% YoY in 2019.

**NAGA** – The Industrial Bank of Korea (IBK) acquires 1.17 billion shares of PT Bank Mitraniaga (eqv. To 71.68% of issued and fully paid capital) at IDR 409/share. The total transaction amount to IDR 477.59 billion. The conduct is aligned with IBK'S plan to merge PT Bank Agris (AGRS) with NAGA.

**PTPP** – PT PP to issue its second phase perpetual bonds before the end of 2019 with target proceed of IDR 350 billion. The perpetual bonds will be packaged into limited mutual funds (RDPT) and is likely to be issued on the 3Q 2019. The issuance is part of the series totaling to IDR 1 trillion.

**PSSI** – PT Pelita Samudera Shipping has bought a handysize class Mother Vessel (MV) with 32 deadweight tonnage (dwt) capacity. The MV is worth USD 9.7 million.

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