

DAILY UPDATE February 1, 2019

MACROECONOMIC NEWS

The Fed - The Federal Reserve said it will be “patient” on any future interest-rate moves and signaled flexibility on the path for reducing its balance sheet, in a substantial pivot away from its bias just last month toward higher borrowing costs. The Federal Open Market Committee “will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support” a strong labor market and inflation near 2 percent, the central bank said in a statement following a two-day meeting in Washington.

Germany Economy - Germany cut its 2019 growth outlook to 1%, down from October’s 1.8% forecast and the weakest since 2013, on a worsening global trade environment. The unemployment rate is expected to decline to a record low 4.9%.

China Economy - China's manufacturing PMI probably fell further into contractionary territory in January, as external demand weakened. Factory output may have dropped in both Japan and South Korea in December from a month earlier, albeit at a slower pace than in November.

US Housing - New-home sales rose 16.9% from a month earlier to a seasonally adjusted annual rate of 657,000, the Commerce Department said Thursday. The report on November home sales had been postponed because of the partial shutdown of the federal government. The new-home sales figure is a rough estimate that comes with a big margin of error. The figure is often revised later. Despite the November increase, sales of new homes were down 7.7% compared to a year earlier, suggesting a bumpy housing market over the broader term. Higher mortgage rates and a run-up in prices have dented home purchases over the past year.

CORPORATE NEWS

KBLI – PT KMI Wire and Cable targets 17% yoy sales growth in 2019.

JECC – PT Jemblo Cable Company allocates IDR 30 billion capex budget in 2019. JECC will use the fund for equipment maintenance.

PRIM – PT Royal Prima targets 30% yoy revenue growth in 2019. In addition, PRIM allocates IDR 1 trillion capex budget in 2019.

Equity Markets

	Closing	% Change
Dow Jones	25000	-0.06
NASDAQ	7282	1.37
S&P 500	2704	0.86
MSCI excl. Jap	640	0.98
Nikkei	20916	0.69
Shanghai Comp	2585	0.35
Hang Seng	28193	0.90
STI	3202	0.38
JCI	6533	1.06
Indo ETF (IDX)	24	1.22
Indo ETF (EIDO)	28	1.65

Currency

	Closing	Last Trade
US\$ - IDR	13973	13950
US\$ - Yen	108.89	108.79
Euro - US\$	1.1448	1.1439
US\$ - SG\$	1.3456	1.3475

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	54.14	-0.4	-0.70
Oil Brent	61.28	-0.81	-1.30
Coal Newcastle	99	-0.3	-0.30
Nickel	12480	130	1.1
Tin	20850	50	0.2
Gold	1319.5	0.3	0.02
CPO Rott	601.25	2.5	0.42
CPO Malay	2127.5	3	0.14

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.573	-0.06	-0.88
3 year	7.609	-0.04	-0.58
5 year	7.848	0.00	0.00
10 year	7.997	-0.01	-0.16
15 year	8.319	-0.18	-2.15
30 year	8.961	0.00	0.00

PT. Panin Asset Management

JSX Building Tower I, 3rd Floor

Jl. Jend. Sudirman Kav. 52-53 , Jakarta 12190

T : (021) 515-0595 , F : (021) 515-0601

CORPORATE NEWS – cont'd

MMLP – PT Mega Manungga Property reports IDR 300 billion revenue in 2018 (unaudited), or up by +30% yoy. In addition, MMLP allocates IDR 1.7 trillion capex budget in 2019. The fund will primarily be used to purchase lands and to construct warehouse.

SMGR – PT Semen Indonesia has completed the acquisition of 80.6% stake in PT Holcim Indonesia (SMCB). The total acquisition cost reached USD 917 billion (or equates to IDR 12.9 trillion). SMGR will then conduct the mandatory offer. The expected date is on the first week of February.

BBNI – PT Bank Negara Indonesia targets corporate loan to grow by 13%-15% in 2019. The company will focus on loan distribution for infrastructure and manufacture sector such as telecommunication, toll road and power plants.

WIKA – PT Wijaya Karya called off its decision in offering its second phase perpetual bonds that was supposed to be issued by January 2019. The plan to issue the second phase perpetual bonds is currently under review.

GMFI – PT Garuda Maintenance Facility Aero asia has formed a new subsidiary, PT Garuda Pratama Daya Sejahtera. The company will be responsible in fulfilling GMFI's manpower outsourcing needs. The formation of a new subsidiary is part of GMFI's plan to form 3 new subsidiaries by 1Q 2019.

UNVR – PT Unilever Indonesia announced its FY2018 results:

UNVR (IDR bn)	12m 2017	12m 2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	41,205	41,802	1.45%	9,991	10,348	10,271	2.80%	-0.75%
Gross Profit	21,220	21,092	-0.60%	5,166	5,044	5,281	2.21%	4.69%
Operating Profit	9,505	9,456	-0.52%	2,413	2,216	2,443	1.26%	10.26%
Pretax Earnings	9,372	12,186	30.03%	2,379	5,047	2,417	1.62%	-52.10%
Net Income	7,005	9,109	30.05%	1,775	3,774	1,806	1.73%	-52.15%
EPS (IDR)	918	1194	30.05%	233	495	237	1.73%	-52.15%
<i>Gross Profit Margin</i>	<i>51.50%</i>	<i>50.46%</i>	<i>-1.04%</i>	<i>51.71%</i>	<i>48.74%</i>	<i>51.42%</i>	<i>-0.30%</i>	<i>2.67%</i>
<i>Operating Profit Margin</i>	<i>23.07%</i>	<i>22.62%</i>	<i>-0.45%</i>	<i>24.15%</i>	<i>21.41%</i>	<i>23.79%</i>	<i>-0.36%</i>	<i>2.38%</i>
<i>Net Profit Margin</i>	<i>17.00%</i>	<i>21.79%</i>	<i>4.79%</i>	<i>17.77%</i>	<i>36.47%</i>	<i>17.58%</i>	<i>-0.18%</i>	<i>-18.89%</i>

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