

DAILY UPDATE February 6, 2019

MACROECONOMIC NEWS

Eurozone Economy - Italy's economy contracted for the second straight quarter in the three months through December, placing the country in a technical recession, figures released last week showed. That decline likely continued through January, a survey of businesses released Tuesday by data firm IHS Markit indicated, as the country's composite Purchasing Managers Index fell to 48.8 from 50.0 in December. A reading below 50.0 points to a decline in activity. "The PMI data shows an Italian economy that is undergoing a sustained slowdown," said Amritpal Virdee, an economist at IHS Markit. "This bodes ill for the rest of 2019 as the Italian government tries to stimulate economic growth." IHS Markit said the composite PMI for France fell in January to 48.2 from 48.7 in December, although there were pickups in Germany and Spain that ensured activity across the whole of the eurozone continue to rise, although very marginally.

The Fed - Federal Reserve Chairman Jerome Powell met President Donald Trump at the White House for dinner Monday to discuss recent economic developments and the outlook, but the central bank said the Fed chief did not share his expectations for monetary policy. Powell's comments were "consistent with his remarks at his press conference of last week," the Fed said in a statement. "He did not discuss his expectations for monetary policy, except to stress that the path of policy will depend entirely on incoming economic information and what that means for the outlook." Meetings between a president and Fed chief are rare but not unprecedented.

US Economy - Car dealers are beginning 2019 with a heavier inventory of unsold vehicles on their lots, a situation that some analysts say will put pressure on them to cut factory output as U.S. auto sales are expected to cool this year. There were 3.95 million vehicles on dealership lots at the end of January, a 4% increase from December and up nearly 3% from the prior-year January, according to data released by WardsAuto.

Canada Housing - Vancouver began the year with benchmark home prices falling the most in almost six years, according to the local real estate board. That may be just the tip of the iceberg. Metro Vancouver's composite home price, including houses, condominiums and town-houses, fell 4.5% YoY in January to C\$1.02 million (US\$ 780,000), the biggest decline since May 2013 and down about 8% from the June 2018 peak, according to the Real Estate Board of Greater Vancouver.

Equity Markets

	Closing	% Change
Dow Jones	25412	0.68
NASDAQ	7402	0.74
S&P 500	2738	0.47
MSCI excl. Jap	642	0.28
Nikkei	20922	0.37
Shanghai Comp	2618	1.30
Hang Seng	27990	0.21
STI	3185	-0.13
JCI	6481	-0.87
Indo ETF (IDX)	24	1.43
Indo ETF (EIDO)	28	1.17

Currency

	Closing	Last Trade
US\$ - IDR	13962	13943
US\$ - Yen	109.96	109.9
Euro - US\$	1.1406	1.1405
US\$ - SG\$	1.3517	1.3514

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	53.74	-1.5	-2.64
Oil Brent	62.11	-0.58	-0.93
Coal Newcastle	98.3	-0.05	-0.05
Nickel	13040	380	3.0
Tin	20850	-40	-0.2
Gold	1314.7	-0.5	-0.04
CPO Rott	601.25		
CPO Malay	2127	-0.5	-0.02

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.476	-0.05	-0.72
3 year	7.487	0.02	0.23
5 year	7.721	-0.03	-0.40
10 year	7.834	-0.03	-0.39
15 year	8.11	-0.06	-0.67
30 year	8.958	0.00	-0.03

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CORPORATE NEWS

SRIL – PT Sri Rejeki Isman reports USD 1.02 billion revenue for FY18, growing by +35% yoy. SRIL reports growth in revenue was due to the recent acquisition of 2 textile companies, increasing SRIL's production capacity from 754 thousand thread spindle/year to 1.1 million thread spindle per year. In addition, SRIL allocates USD 40 million capex budget in 2019.

MAIN – PT Malindo Feedmill allocates IDR 400 billion – 500 billion capex budget in 2019. The fund will be utilized for the construction of animal feed factory in 4Q 2019. Said factory is expected to be complete in 2020.

TINS – PT Timah will begin operation of its fuming facility by March 2019.

PPRO – PT PP Properti will issue continuous bonds I phase II year 2019 worth IDR 800 billion. The coupon rate is at 11.15% per annum that will be paid in every 3 months and the term period is 3 years. PPRO will absorb remaining bonds. 44% of the proceed will be used for working capital, 22% will be used to pay the company's investment installments, 10% to refinance its debts and the rest is to develop the company's property segment in Java.

PSSI – PT Pelita Samudera Shipping booked USD 63.5 million revenue in FY 2018, rose by +30% YoY. Further, transport volume rose by +33.5% YoY in FY 2018 to 33.5 million mt in FY 2018, the highest number in 5 years.

TOBA – PT Toba Bara Sejahtera through its subsidiary, PT Minahasa Cahaya Lestari obtained loan facility of up to USD 157.98 million. The fund will primarily be used to build thermal power plant.

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