

## DAILY UPDATE February 8, 2019

### MACROECONOMIC NEWS

**US Economy** - The U.S. trade deficit unexpectedly narrowed in November to its smallest amount in five months, driven by a drop in imports, especially from China. The foreign-trade gap in goods and services fell 11.5% from the prior month to a seasonally adjusted \$49.3 billion in November, the Commerce Department said Wednesday. Imports and exports both dropped, but the fall in imports was much larger, causing the overall deficit to narrow. The Commerce Department said the biggest drop in imports came from the category of "cellphones and other household goods," a broad category of consumer items. Imports of fuel oil, crude oil and other petroleum products also dropped. Imports from China dropped by USD 2.9 billion, accounting for about 40% of the import decline.

The U.S. trade deficit with China narrowed by USD 5.2 billion in November, amid an unexpected reduction in the nation's overall shortfall, but that will not be enough to keep the full-year gap from widening. Poor holiday mobile phone sales caused the change, but the decline should have ended, Bloomberg Economics said. The 11-month bilateral deficit widened by 11% YoY to USD 37.6 billion.

**US Jobs** - The number of Americans filing applications for new unemployment benefits fell sharply last week but remained higher than before the partial government shutdown that ended Jan. 25. Initial jobless claims, a proxy for layoffs across the U.S., declined by 19,000 to a seasonally adjusted 234,000 in the week ended Feb. 2, the Labor Department said Thursday. That was higher than the 225,000 median estimate in a Wall Street Journal survey of economists. Jobless claims for the previous week were unrevised at 253,000, which was the highest level since September 2017. The four-week moving average of claims, a steadier measure, rose by 4,500 last week to 224,750, matching the highest level since the week of Dec. 8.

**Euro-Area Economy** - In the latest signal that economic activity is grinding-down German manufacturing orders slumped in December, led by a sharp drop in orders from outside the Eurozone. The Federal Statistical Office said Wednesday that total manufacturing orders declined 1.6% from November.

### Equity Markets

	Closing	% Change
Dow Jones	25170	-0.87
NASDAQ	7288	-1.18
S&P 500	2706	-0.94
MSCI excl. Jap	641	-0.25
Nikkei	20460	-1.40
Shanghai Comp	2618	1.30
Hang Seng	27628	-1.29
STI	3201	0.02
JCI	6536	-0.17
Indo ETF (IDX)	24	-0.33
Indo ETF (EIDO)	27	-0.33

### Currency

	Closing	Last Trade
US\$ - IDR	13973	13995
US\$ - Yen	109.82	109.71
Euro - US\$	1.1341	1.1339
US\$ - SG\$	1.3564	1.3574

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	52.38	-1.4	-2.51
Oil Brent	61.44	-0.87	-1.40
Coal Newcastle	97.8	-0.5	-0.51
Nickel	12985	60	0.5
Tin	20950	-50	-0.2
Gold	1309.9	2.7	0.21
CPO Rott	600	-1.25	-0.21
CPO Malay	2093	-34	-1.60

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.421	-0.06	-0.99
3 year	7.362	0.00	0.04
5 year	7.759	0.03	0.41
10 year	7.856	0.04	0.55
15 year	8.059	0.02	0.30
30 year	8.897	-0.01	-0.08

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## CORPORATE NEWS

**SMGR** – PT Semen Indonesia targets 4 million ton cement and clinker export in 2019.

**JSMR** – PT Jasa Marga targets IDR 700 billion proceed from the infrastructure investment fund (DINFRA) which is set to launch in 1Q 2019.

**TOTL** – PT Total Bangun Persada acquires IDR 700 billion new contract in January 2019, achieving 17.5% of FY19 new contract target of IDR 4 trillion.

**DSNG** – PT Dharma Satya Nusantara plans to increase one of its CPO mills capacity in East Kalimantan from 30 tons/hour to 60 tons/year on the back of aiming to increase its CPO production by 26% YoY in 2019 to around 614,880 tons.

**NUSA** – PT Sinergi Megah Internusa allocates IDR 20 billion capex budget in 2019. The fund will be used to develop its hotel business. Further, in 2019 NUSA aims for occupation rate to grow to 65%, 5% higher than last year of 60%.

**TOBA** – PT Toba Bara Sejahtera targets coal production of 6 million tons in 2019, flat YoY. Note that TOBA produces coal with quality of 5,200-5,700 kcal/kg.

**TBIG** – PT Tower Bersama Infrastructure will conduct tender offer of 28.43 million shares (eqv. To 9.04% of issued and paid up capital), post the acquisition of PT Visi Telekomunikasi Infrastructure (GOLD). The exercise price is at IDR 556/share.

**SMBR** – PT Semen Baturaja allocates IDR 800 billion capex budget in 2019 that will be funded internally and also from bank loans. Most (80%) of the capex will primarily be used to develop the company's operation, distribution and overall business. The development plan includes acquiring limestone mining and Jambi terminal station. Meanwhile, the rest (20%) will be used for working capital needs.

**GIAA** – PT Garuda Indonesia increased its cargo rates by 100% from IDR 3,000-4,000/kg/hour to IDR 6,000kg/hour.

**APLN** – PT Agung Podomoro Land booked IDR 2.4 trillion marketing sales in FY 2018. The achievement is below the company's target by -31.4% of IDR 3.5 trillion. For FY 2019, APLN targets marketing sales to reach IDR 3-4 trillion.

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