

DAILY UPDATE March 4, 2019

MACROECONOMIC NEWS

The Fed - The Federal Reserve Bank of New York has quizzed some primary dealers about a potential new tool for managing interest rates as the central bank prepares to halt its balance-sheet unwind, according to people familiar with the discussions. The New York Fed's markets group has sought feedback on how an instrument that keeps money-market rates from rising too far above the central bank's target range should be designed, and how it would impact markets.

Mexico Economy - S&P Global Ratings lowered its outlook for Mexico's sovereign debt to negative from stable, saying the nation's shift to limit private sector involvement in energy could lower economic growth prospects. Other developments that have shifted investor confidence, such as the cancellation of a USD 13 billion airport project for Mexico City that was already underway, could also cut into gross domestic product and contribute to higher contingent liabilities for Mexico, the ratings company said in a statement.

World Trade - U.S. manufacturers are accelerating their shift out of China, coming to terms with a new reality, the Trump administration's tariffs will not go away any time soon. President Donald Trump's lead trade negotiator, Robert Lighthizer, warned lawmakers that the United States would need to keep the threat of stiff tariffs on China in place for years, even if a trade deal is inked, as part of an enforcement mechanism that would include frequent reviews of whether China was abiding by any agreement.

Commodities - Russia's oil producers cut their output deeper in February as the nation strives to implement an agreement with OPEC following criticism that it was moving too slowly. The country produced 43.3 million tons of oil last month, according to preliminary data from the Energy Ministry's CDU-TEK unit.

CORPORATE NEWS

TINS – PT Timah targets to book 2019 net income of IDR 1.2 trillion (vs. 2018 net income around IDR 500 billion). In addition, TINS is optimistic its JV with Topwide Ventures Ltd in Nigeria will start production in 2019, with initial target of 5000 metric tons.

Equity Markets

	Closing	% Change
Dow Jones	26026	0.43
NASDAQ	7595	0.83
S&P 500	2804	0.69
MSCI excl. Jap	656	0.45
Nikkei	21780	0.82
Shanghai Comp	2994	1.80
Hang Seng	28812	0.63
STI	3225	0.13
JCI	6500	0.88
Indo ETF (IDX)	23	0.36
Indo ETF (EIDO)	26	0.54

Currency

	Closing	Last Trade
US\$ - IDR	14120	14145
US\$ - Yen	111.89	111.96
Euro - US\$	1.1365	1.1369
US\$ - SG\$	1.3552	1.354

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	56.14	-1.3	-2.28
Oil Brent	65.42	-1.14	-1.71
Coal Newcastle	97	0.95	0.99
Nickel	13195	145	1.1
Tin	21620	-30	-0.1
Gold	1296.8	-17.3	-1.32
CPO Rott	587.5	7.5	1.29
CPO Malay	1948		

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.275	-0.02	-0.27
3 year	7.202	-0.05	-0.62
5 year	7.496	-0.01	-0.16
10 year	7.854	0.00	0.01
15 year	8.196	0.01	0.06
30 year	8.606	0.01	0.16

CORPORATE NEWS - cont'd

TLKM – PT Telekomunikasi Indonesia targets 2019 revenue to grow between 5 – 9% yoy.

JPFA – PT Japfa Comfeed Indonesia 2019 revenue may grow 14 – 17% yoy according to Koesbyanto Setyadharma, Director of JPFA.

ARNA – PT Arwana Citramulia puts 2019 revenue target of IDR 2.1 trillion, up 7.8% yoy and net income target of IDR 200 billion, up 28.1% yoy.

INDY – PT Indika Energy allocates USD 315 million capex budget in 2019. Around 75% will be funded using bank loan while the rest will be funded internally. The fund will primarily be used to develop PT Petrosea's business of around USD 175 million.

LPPF – PT Matahari Department Store announced its 2018 results:

LPPF (IDR bn)	2017	2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	10,024	10,245	2.2%	2,477	1,863	2,467	-0.4%	32.4%
Gross Profit	6,262	6,378	1.9%	1,490	1,135	1,492	0.2%	31.5%
Operating Profit	2,409	2,330	-3.3%	527	187	471	-10.7%	151.9%
Pretax Earnings	2,396	1,575	-34.3%	504	189	-308		
Net Income	1,907	1,097	-42.5%	402	151	-399		
EPS (IDR)	654	377	-42.3%	138	52	-136		
<i>Gross Profit Margin</i>	62.5%	62.3%	-0.2%	60.1%	60.9%	60.5%	0.3%	-0.4%
<i>Operating Profit Margin</i>	24.0%	22.7%	-1.3%	21.3%	10.0%	19.1%	-2.2%	9.1%
<i>Net Profit Margin</i>	19.0%	10.7%	-8.3%	16.2%	8.1%	-16.2%	-32.4%	-24.3%

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