

DAILY UPDATE March 6, 2019

MACROECONOMIC NEWS

China Economy - China plans to cut the VAT rate on manufacturers by 3%, with an announcement as soon as this week, a person familiar said. Premier Li Keqiang is due to deliver his annual economic policy report at the opening of the NPC. The speech is expected to include a GDP target, plus fiscal and monetary policy plans.

US Economy - U.S. construction spending edged down 0.6 percent in December with declines in residential construction and government projects. Even with the December setback, construction spending for all of 2018 reached record levels, though it was the smallest increase seven years.

The December decline followed a 0.8 percent rise in November, the Commerce Department reported Monday. Residential construction fell by 1.4 percent, revealing ongoing struggles in the housing sector. Nonresidential activity rose 0.4 percent, while spending on government projects fell 0.6 percent, with both federal and state and local activity falling.

For the year, construction spending rose 4.1 percent to \$1.3 trillion. It was an all-time high, but the 4.1 percent gain was the weakest performance since spending fell 2.6 percent in 2011.

Construction spending had hit a previous record high of \$1.16 trillion in 2006, the peak of a housing boom that would begin declining in 2007, helping to trigger a deep recession and five-year retreat in construction spending.

India Economy - India's exports of farm, marine and handicraft products to the United States could be hit by U.S. plans to end a preferential trade treatment to the country in the next two months, an official at India's main exporters' body said. "We fear that our labor-intensive exports of agriculture, marine and handicraft products to the U.S. would be hit hard," Ajay Sahai, director general of the Federation of Indian Export Organisations, told.

Sugar – Indonesian government plans to increase sugar floor price (currently at IDR 9,700 per kg).

Equity Markets

	Closing	% Change
Dow Jones	25807	-0.05
NASDAQ	7576	-0.02
S&P 500	2790	-0.11
MSCI excl. Jap	659	0.09
Nikkei	21590	-0.63
Shanghai Comp	3069	0.49
Hang Seng	29019	0.20
STI	3227	-0.22
JCI	6441	-0.73
Indo ETF (IDX)	23	-0.06
Indo ETF (EIDO)	26	0.31

Currency

	Closing	Last Trade
US\$ - IDR	14128	14131
US\$ - Yen	111.89	111.77
Euro - US\$	1.1308	1.1302
US\$ - SG\$	1.3556	1.3564

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	56.01	-0.4	-0.74
Oil Brent	65.26	-0.33	-0.50
Coal Newcastle	98.05	-0.1	-0.10
Nickel	13650	395	3.0
Tin	21565	115	0.5
Gold	1287.9	1.4	0.11
CPO Rott	580	-3.75	-0.64
CPO Malay	1960	15	0.77

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.275	-0.02	-0.27
3 year	7.253	0.00	0.00
5 year	7.481	0.00	0.04
10 year	7.866	0.01	0.06
15 year	8.204	0.01	0.13
30 year	8.62	0.00	0.01

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CORPORATE NEWS

ENRG – PT Energi Mega Persada may refinance debt of USD 50 million from 22% pa to 15% pa.

SRTG – PT Saratoga once again increased its stake in PT Aneka Gas Industri (AGII) from 6.92% to 7.6%. The company has bought another 20.8 million shares of AGII worth IDR 13.29 billion.

BRMS & ANTM – PT Gorontalo Minerals, a JV between PT Bumi Resources Minerals and PT Aneka Tambang secured a production and construction permit to develop its gold and copper mine in Gorontalo, Sulawesi. The permit allows 3 years construction period and 30 years production period until 12M 2052. The company expects to complete its construction phase by the end of 2021 or early 2022.

LPKR – PT Lippo Karawaci announced its FY 2018 financial result:

LPKR (IDR bn)	2017	2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	10,522	12,460	18.4%	3,088	3,020	3,875	25.5%	28.3%
Gross Profit	4,728	5,959	26.0%	1,224	1,491	1,771	44.6%	18.8%
Operating Profit	1,589	2,453	54.4%	315	815	755	139.7%	-7.4%
Pretax Earnings	1,328	2,301	73.3%	167	-646	202	20.7%	
Net Income	614	695	13.2%	-11	-677	225		
EPS (IDR)	26.6	30.1	13.2%	-0.5	-29.3	9.8		
<i>Gross Profit Margin</i>	<i>44.9%</i>	<i>47.8%</i>	<i>2.9%</i>	<i>39.7%</i>	<i>49.4%</i>	<i>45.7%</i>	<i>6.0%</i>	<i>-3.7%</i>
<i>Operating Profit Margin</i>	<i>15.1%</i>	<i>19.7%</i>	<i>4.6%</i>	<i>10.2%</i>	<i>27.0%</i>	<i>19.5%</i>	<i>9.3%</i>	<i>-7.5%</i>
<i>Net Profit Margin</i>	<i>5.8%</i>	<i>5.6%</i>	<i>-0.3%</i>			<i>5.8%</i>		

SSIA – PT Surya Semesta Internusa announced its FY 2018 financial result:

SSIA (IDR bn)	2017	2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	3,274	3,682	12.5%	918	1,138	1,023	11.4%	-10.1%
Gross Profit	864	981	13.5%	211	264	355	68.2%	34.5%
Operating Profit	234	277	18.3%	54	55	177	230.2%	219.7%
Pretax Earnings	1,782	214	-88.0%	35	36	160	354.9%	337.8%
Net Income	1,178	38	-96.8%	-51	-10	103		
EPS (IDR)	250.4	8.0	-96.8%	-10.8	-2.0	21.9		
<i>Gross Profit Margin</i>	<i>26.4%</i>	<i>26.6%</i>	<i>0.3%</i>	<i>23.0%</i>	<i>23.2%</i>	<i>34.7%</i>	<i>11.7%</i>	<i>11.5%</i>
<i>Operating Profit Margin</i>	<i>7.2%</i>	<i>7.5%</i>	<i>0.4%</i>	<i>5.8%</i>	<i>4.9%</i>	<i>17.3%</i>	<i>11.5%</i>	<i>12.4%</i>
<i>Net Profit Margin</i>	<i>36.0%</i>	<i>1.0%</i>	<i>-35.0%</i>			<i>10.1%</i>		

NRCA – PT Nusa Raya Cipta announced its FY 2018 financial result:

NRCA (IDR bn)	2017	2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	2,164	2,457	13.6%	658	703	598	-9.1%	-14.8%
Gross Profit	215	251	16.9%	66	60	76	15.6%	27.3%
Operating Profit	96	125	31.1%	24	30	32	32.0%	6.1%
Pretax Earnings	245	191	-22.4%	58	42	58	-0.4%	38.4%
Net Income	153	118	-23.1%	40	26	38	-6.2%	44.1%
EPS (IDR)	61.5	47.3	-23.1%	16.2	10.6	15.2	-6.2%	44.1%
<i>Gross Profit Margin</i>	<i>9.9%</i>	<i>10.2%</i>	<i>0.3%</i>	<i>10.0%</i>	<i>8.5%</i>	<i>12.7%</i>	<i>2.7%</i>	<i>4.2%</i>
<i>Operating Profit Margin</i>	<i>4.4%</i>	<i>5.1%</i>	<i>0.7%</i>	<i>3.7%</i>	<i>4.3%</i>	<i>5.4%</i>	<i>1.7%</i>	<i>1.1%</i>
<i>Net Profit Margin</i>	<i>7.1%</i>	<i>4.8%</i>	<i>-2.3%</i>	<i>6.2%</i>	<i>3.8%</i>	<i>6.3%</i>	<i>0.2%</i>	<i>2.6%</i>

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