

DAILY UPDATE March 12, 2019

MACROECONOMIC NEWS

World Trade - China and the U.S. are in general agreement on many crucial issues in trade talks and have held meaningful discussions on FX, PBOC Governor Yi Gang said over the weekend, while vowing not to use the exchange rate for competitive purposes. Vice Commerce Minister Wang Shouwen also weighed in, saying an enforcement mechanism must be "two way, fair and equal." White House economic adviser Larry Kudlow said he is "optimistic" about a deal and that the administration is making "headway."

US Economy - Consumer spending recovered only modestly at the start of the year, signaling a slowdown in economic growth between the fourth and first quarters. Retail sales rose a seasonally adjusted 0.2% in January from a month earlier to USD 504.4 billion, the Commerce Department said Monday. December's spending report initially showed consumers unexpectedly pulled back spending in almost every category, which rattled markets. Monday's report showed December sales were revised even lower to a 1.6% drop, from an initially published 1.2% decline. Though January's sales gain didn't make up for December's loss, the data signal that the consumer-spending decline may not be sustained.

China Economy - China's credit growth slowed in February after a seasonal surge the previous month, with the net development in the first two months of the year signaling continued recovery in credit supply. Aggregate financing was 703 billion yuan (USD 105 billion) in February, the People's Bank of China said, compared with an estimated 1.3 trillion yuan in a Bloomberg survey. Broad M2 money supply gained 8.0%, matching its slowest-ever expansion. China still has some room to cut the amount of money banks must hold in reserve, but it is much smaller than in previous years, the People's Bank of China Governor Yi Gang said.

Euro-Area Economy - German factory data for January also showed another heavy decline, falling 2.6%, just a day after the European Central Bank cut its growth forecast and launched new measures to stimulate a dwindling economy.

Equity Markets

	Closing	% Change
Dow Jones	25651	0.79
NASDAQ	7558	2.02
S&P 500	2783	1.47
MSCI excl. Jap	648	0.93
Nikkei	21457	1.57
Shanghai Comp	3027	1.92
Hang Seng	28503	0.97
STI	3191	-0.14
JCI	6366	-0.26
Indo ETF (IDX)	22	0.84
Indo ETF (EIDO)	25	1.08

Currency

	Closing	Last Trade
US\$ - IDR	14291	14252
US\$ - Yen	111.21	111.41
Euro - US\$	1.1245	1.1259
US\$ - SG\$	1.358	1.357

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	57.05	0.9	1.55
Oil Brent	66.83	1.02	1.55
Coal Newcastle	94.55	-1	-1.05
Nickel	12900	-190	-1.5
Tin	21050	-325	-1.5
Gold	1294.2	-2.3	-0.17
CPO Rott	572.5	0.00	0.00
CPO Malay	1922.5	-10	-0.52

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.275	-0.02	-0.27
3 year	7.306	0.00	-0.04
5 year	7.53	0.00	-0.01
10 year	7.935	0.00	0.00
15 year	8.321	0.00	0.00
30 year	8.646	-0.01	-0.06

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CORPORATE NEWS

LPKR – PT Lippo Karawaci will issue as much as 45 billion new shares (current shares outstanding around 23 billion) at the maximum price of IDR 235 per share. On a separate note, LPKR is offering to buy back senior notes due 2022 (ISIN XS1054375446) at USD 900 per USD 1,000 and senior notes due 2026 (ISIN XS1506085114) at USD 820 per USD 1,000, up to USD 150 million.

LPCK – PT Lippo Cikarang will issue as much as 1.39 billion new shares (current shares outstanding around 0.7 billion).

HOME – PT Hotel Mandarini Regency will issue 19.9 billion new shares at IDR 100 per share. Hence, the ratio of rights issue is 10 : 88. Cum date is on 18th of April 2019.

MDKA – PT Merdeka Copper Gold targets gold production of 180 thousand – 200 thousand ounces in 2019, up from FY18 gold production target of 155 thousand – 170 thousand ounces.

SMGR – PT Semen Indonesia through its subsidiary, PT Semen Industri Bangunan will conduct a tender offer for up to 1.5 billion shares (eqv. To 19.36% of issued and paid up capital) of PT Holcim Indonesia (SMCB). Note that currently the company owns 80.64% stake in SMCB or currently named as PT Solusi Bangun Indonesia. SMGR has allocated IDR 3.11 trillion to purchase the remaining shares.

GMFI – PT Garuda Maintenance Facility Aero Asia to distribute USD 6.1 million FY 2018 cash dividend or at USD 0.00022/share. The dividend payout ratio is at 20% of FY 2018's net income.

ADMG – PT Polychem Indonesia once again increased its stake in PT Equity Development Investment (GSMF) from 7.72% to 8.8%. The company has bought another 80.64 million shares of GSMF worth IDR 9.99 billion.

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