

DAILY UPDATE April 8, 2019

MACROECONOMIC NEWS

US Economy - New applications for unemployment benefits fell to 202,000 in the week ended March 30, the lowest level since 1969. Economists expected first-time claims for jobless benefits to rise to 216,000. The downward descent is also reflected in the more stable monthly average of claims, which fell by 4,000 to 213,000. That is the lowest level since October.

US Labor – U.S. hiring sprang back in March. Nonfarm payrolls increased a seasonally adjusted 196,000 in March, a solid rebound from the 33,000 jobs added in February. The unemployment rate held steady at 3.8% last month, just above a 49-year low. Average hourly wages for private-sector workers grew 3.2% from a year earlier. Job growth the prior two months was revised up by 14,000. Through the first three months of the year, employers added an avg of 180,000 jobs to payrolls each month. That was a slowdown from the 223,000 jobs added each month, on average, last year, and growth of 200,000 a month since a record 102-month streak of hiring began in October 2010.

The Fed - New York Fed President John Williams told the Community Bankers Conference in New York that current monetary policy is appropriate for how the economy is performing. He also added that changes in long-run economic fundamentals, like lower growth potential and projected inflation, “means that interest rates are likely to be lower for longer than what we saw in the 1990s.” In separate appearances, Cleveland Fed President Loretta Mester and Philadelphia Fed President Patrick Harker suggested more interest-rate hikes may eventually be needed.

World Trade - The Wall Street Journal reported that Donald Trump expects to announce the date of a trade summit with Chinese leader Xi Jinping. CNBC later reported, however, that sticking points like enforcement mechanisms on any agreed upon deal remain an issue. Donald Trump said trade talks with China are "going very well" and that Beijing will agree to buy "more than anyone would believe" under a great deal for U.S. farmers.

Euro-Area Economy - February month-over-month survey data for German manufacturing orders came in at -4.2%, well below the consensus of 0.55% as well as January's -2.1% drop. The numbers suggested the slump in German manufacturing was worse than the February Purchasing Managers' Index (PMI) data indicated.

Equity Markets

	Closing	% Change
Dow Jones	26425	0.15
NASDAQ	7939	0.59
S&P 500	2893	0.46
MSCI excl. Jap	679	0.25
Nikkei	21790	-0.08
Shanghai Comp	3247	0.94
Hang Seng	29936	-0.17
STI	3324	0.05
JCI	6474	-0.32
Indo ETF (IDX)	23	0.17
Indo ETF (EIDO)	26	0.19

Currency

	Closing	Last Trade
US\$ - IDR	14133	14133
US\$ - Yen	111.73	111.49
Euro - US\$	1.1216	1.1218
US\$ - SG\$	1.3549	1.3557

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	63.41	1.3	2.13
Oil Brent	70.59	1.41	2.04
Coal Newcastle	78.85	1.15	1.48
Nickel	13071	-89	-0.7
Tin	21000	-75	-0.4
Gold	1293.7	2.4	0.19
CPO Rott	582.5	5	0.87
CPO Malay	2008	19	0.96

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	6.275	-0.02	-0.27
3 year	7.039	-0.02	-0.23
5 year	7.077	-0.02	-0.21
10 year	7.562	-0.01	-0.15
15 year	7.984	-0.04	-0.46
30 year	8.46	0.00	-0.02

CORPORATE NEWS

FOOD – PT Sentra Food targets IDR 150 billion sales target in 2019, or up by +23% yoy.

BEEF – PT Estika Tata Tiara targets IDR 1.4 trillion sales in 2019, or up by +56.26% yoy. In addition, BEEF may develop 3 distribution center in Palembang, Surabaya and 1 outlet in Kalimantan in 1H 2019.

URBN – PT Urban Jakarta Propertindo explores potential to develop 2 to 3 new transit oriented development (TOD) projects with foreign investors through JV. In addition, URBN targets IDR 900 billion marketing sales in 2019.

META – PT Nusantara Infrastructure allocates IDR 1.3 trillion through its subsidiary, PT Energy Infranusantara, to fund acquisition of up to 5 renewable energy based power plants in 2019.

HITS – PT Humpuss Intermoda Transportasi will distribute USD 1.44 million dividend or at USD 0.0002 per share (or IDR 3 per share). The dividend payout ratio is 12% of FY18's net income and the cum dividend date is on 12 April 2019.

INAF – PT Indofarma targets IDR 8 billion profit in 2019.

KRAS – PT Krakatau Steel targets USD 20 million profit in 2019.

JSKY – PT Sky Energy targets sales to grow 30% in 2019.

MEDC – PT Medco Energi Internasional reported 2018 results:

MEDC (USD mn)	2017	2018	YoY	Q4 2017	Q3 2018	Q4 2018	YoY	QoQ
Revenue	905	1,218	34.60%	307	349	291	-5.39%	-16.67%
Gross Profit	416	632	52.15%	118	179	134	13.29%	-25.06%
Operating Profit	268	472	76.14%	74	132	98	33.40%	-25.37%
Pretax Earnings	294	199	-32.25%	24	30	22	-9.14%	-27.74%
Net Income	127	-51		-37	-53	-40		
EPS	0.007	-0.003		-0.002	-0.003	-0.002		
<i>Gross Profit Margin</i>	<i>45.9%</i>	<i>51.9%</i>	<i>6.0%</i>	<i>38.4%</i>	<i>51.2%</i>	<i>46.0%</i>	<i>7.6%</i>	<i>-5.2%</i>
<i>Operating Profit Margin</i>	<i>29.6%</i>	<i>38.7%</i>	<i>9.1%</i>	<i>23.9%</i>	<i>37.7%</i>	<i>33.8%</i>	<i>9.8%</i>	<i>-3.9%</i>
<i>Net Profit Margin</i>	<i>14.0%</i>							

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