

## DAILY UPDATE March 17, 2020

### MACROECONOMIC NEWS

**The Fed** – A day after a dramatic move in interest rates, the Federal Reserve increased the amount of liquidity it's offering in short-term lending to the financial industry. In a mid-day announcement, the New York Fed said it will conduct a USD 500 billion repo operation this afternoon, another move targeted at keeping money flowing through the system. Repo involves banks putting up high-quality collateral like Treasuries in exchange for the liquidity they need to conduct operations. The move comes a day after the Fed cut its benchmark interest rate by 1 percentage point to a range of 0%-0.25%, where it was during the financial crisis. In addition, the central bank offered a number of other measures aimed at providing necessary funding to banks and the free-flow of currency swaps between the Fed and other global central banks.

**Indonesia Economy** – Indonesia's trade balance returned to the black last month because imports from China dropped by almost half as the world's second-largest economy dealt with the peak of the novel coronavirus outbreak. Indonesia, which started to see the beginning of the pandemic on its shores this month, posted a trade surplus of USD 2.3 billion in February compared to a USD 637 million deficit in January, according to the Central Statistics Agency (BPS). It was Indonesia's first surplus in eight months and the largest since 2011. Total import was down 5.1% to USD 11.6 billion last month compared to the same month a year earlier. Non-oil and gas shipments from China, where Indonesia sources around a third of its raw materials, fell 35% to USD 1.95 billion in total value from USD 3.01 billion a year ago. On a month-to-month basis, imports from China fell almost 50% from January.

### CORPORATE NEWS

**TELE** – PT Tiphone Mobile Indonesia to issue continuous bonds II phase III year 2020 worth IDR 300 billion with coupon rate at 11.5% p.a. with 3 years tenor. Note that, TELE will only be fully committed to issue IDR 150 billion worth of bonds. In addition, PT Perneringkat Efek Indonesia has affirmed BBB+ rating for the bonds. The issuance is part of its continuous bonds II program with target proceeds of IDR 2 trillion. The proceeds will be utilized as working capital and also for loan repayment.

### Equity Markets

|                 | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones       | 20189   | -12.93   |
| NASDAQ          | 6905    | -12.32   |
| S&P 500         | 2386    | -11.98   |
| MSCI excl. Jap  | 550     | -5.49    |
| Nikkei          | 17245   | 1.43     |
| Shanghai Comp   | 2789    | -3.40    |
| Hang Seng       | 23002   | -0.27    |
| STI             | 2484    | -0.47    |
| JCI             | 4691    | -4.42    |
| Indo ETF (IDX)  | 14      | -13.34   |
| Indo ETF (EIDO) | 16      | -14.17   |

### Currency

|             | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR  | 14933   | 14978      |
| US\$ - Yen  | 105.83  | 106.97     |
| Euro - US\$ | 1.1183  | 1.12       |
| US\$ - SG\$ | 1.4209  | 1.42       |

### Commodities

|                | Last    | Price Chg | %Chg |
|----------------|---------|-----------|------|
| Oil NYMEX      | 30.09   | -1.1      | -3.6 |
| Oil Brent      | 31.04   | -1.86     | -5.7 |
| Coal Newcastle | 65.55   | -0.25     | -0.4 |
| Nickel         | 11935   | -385      | -3.1 |
| Tin            | 15300   | -650      | -4.1 |
| Gold           | 1507.47 | -25.3     | -1.6 |
| CPO Rott       | 580     | -18.8     | -3.1 |
| CPO Malay      | 2220    | -50       | -2.2 |

### Indo Gov. Bond Yields

|         | Last  | Yield Chg | %Chg |
|---------|-------|-----------|------|
| 1 year  | 5.149 | 0.03      | 0.51 |
| 3 year  | 6.016 | 0.00      | 0.02 |
| 5 year  | 6.751 | 0.02      | 0.31 |
| 10 year | 7.408 | 0.01      | 0.15 |
| 15 year | 7.745 | 0.00      | 0.05 |
| 30 year | 7.8   | 0.01      | 0.15 |

## CORPORATE NEWS – cont'd

**TPIA** – PT Chandra Asri Petrochemical disclosed its FY 2019 financial results:

| TPIA (USD Mn)                  | 2018         | 2019        | YoY          | Q4 2018     | Q3 2019      | Q4 2019      | YoY          | QoQ          |
|--------------------------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Revenue                        | 2,543        | 1,881       | -26.04%      | 581         | 334          | 493          | -15.06%      | 47.80%       |
| Gross Profit                   | 390          | 171         | -56.18%      | 45          | 32           | 4            | -91.60%      | -88.28%      |
| Operating Profit               | 315          | 87          | -72.50%      | 32          | 8            | -14          |              |              |
| Pretax Earnings                | 254          | 39          | -84.74%      | 18          | -2           | -15          |              |              |
| Net Income                     | 182          | 23          | -87.40%      | 12          | -1           | -9           |              |              |
| EPS (USD)                      | 0.0102       | 0.0013      | -87.40%      | 0.0007      | -0.0001      | -0.0005      |              |              |
| <i>Gross Profit Margin</i>     | <b>15.4%</b> | <b>9.1%</b> | <b>-6.3%</b> | <b>7.8%</b> | <b>9.7%</b>  | <b>0.8%</b>  | <b>-7.0%</b> | <b>-8.9%</b> |
| <i>Operating Profit Margin</i> | <b>12.4%</b> | <b>4.6%</b> | <b>-7.8%</b> | <b>5.5%</b> | <b>2.4%</b>  | <b>-2.8%</b> | <b>-8.2%</b> | <b>-5.2%</b> |
| <i>Net Profit Margin</i>       | <b>7.1%</b>  | <b>1.2%</b> | <b>-5.9%</b> | <b>2.0%</b> | <b>-0.4%</b> | <b>-1.7%</b> | <b>-3.8%</b> | <b>-1.3%</b> |

**SMGR** – PT Semen Indonesia disclosed its FY 2019 financial results:

| SMGR (IDR Bn)                  | 2018         | 2019         | YoY          | Q4 2018      | Q3 2019      | Q4 2019      | YoY          | QoQ         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Revenue                        | 30,688       | 40,368       | 31.5%        | 9,233        | 11,772       | 12,245       | 32.6%        | 4.0%        |
| Gross Profit                   | 9,331        | 12,714       | 36.3%        | 2,992        | 3,811        | 4,238        | 41.7%        | 11.2%       |
| Operating Profit               | 4,773        | 6,093        | 27.7%        | 1,567        | 1,854        | 2,198        | 40.2%        | 18.6%       |
| Pretax Earnings                | 4,105        | 3,196        | -22.1%       | 1,361        | 1,119        | 1,400        | 2.9%         | 25.1%       |
| Net Income                     | 3,079        | 2,392        | -22.3%       | 992          | 810          | 1,097        | 10.6%        | 35.4%       |
| EPS (IDR)                      | 519          | 403          | -22.4%       | 167          | 136          | 185          | 10.7%        | 36.0%       |
| <i>Gross Profit Margin</i>     | <b>30.4%</b> | <b>31.5%</b> | <b>1.1%</b>  | <b>32.4%</b> | <b>32.4%</b> | <b>34.6%</b> | <b>2.2%</b>  | <b>2.2%</b> |
| <i>Operating Profit Margin</i> | <b>15.6%</b> | <b>15.1%</b> | <b>-0.5%</b> | <b>17.0%</b> | <b>15.7%</b> | <b>17.9%</b> | <b>1.0%</b>  | <b>2.2%</b> |
| <i>Net Profit Margin</i>       | <b>10.0%</b> | <b>5.9%</b>  | <b>-4.1%</b> | <b>10.7%</b> | <b>6.9%</b>  | <b>9.0%</b>  | <b>-1.8%</b> | <b>2.1%</b> |

**BEST** – PT Bekasi Fajar Industrial Estate disclosed its FY 2019 financial results:

| BEST (IDR Bn)                  | 2018         | 2019         | YoY          | Q4 2018      | Q3 2019      | Q4 2019      | YoY           | QoQ          |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Revenue                        | 963          | 951          | -1.3%        | 442          | 237          | 343          | -22.4%        | 45.0%        |
| Gross Profit                   | 691          | 633          | -8.4%        | 318          | 169          | 240          | -24.6%        | 42.1%        |
| Operating Profit               | 570          | 507          | -11.0%       | 278          | 133          | 204          | -26.7%        | 53.5%        |
| Pretax Earnings                | 447          | 409          | -8.6%        | 278          | 106          | 179          | -35.6%        | 68.8%        |
| Net Income                     | 423          | 380          | -10.0%       | 269          | 96           | 169          | -37.1%        | 75.7%        |
| EPS (IDR)                      | 43.8         | 39.4         | -10.0%       | 27.9         | 10.0         | 17.6         | -37.1%        | 75.7%        |
| <i>Gross Profit Margin</i>     | <b>71.8%</b> | <b>66.6%</b> | <b>-5.2%</b> | <b>71.8%</b> | <b>71.3%</b> | <b>69.9%</b> | <b>-2.0%</b>  | <b>-1.4%</b> |
| <i>Operating Profit Margin</i> | <b>59.2%</b> | <b>53.3%</b> | <b>-5.8%</b> | <b>63.0%</b> | <b>56.2%</b> | <b>59.5%</b> | <b>-3.4%</b>  | <b>3.3%</b>  |
| <i>Net Profit Margin</i>       | <b>43.9%</b> | <b>40.0%</b> | <b>-3.9%</b> | <b>60.9%</b> | <b>40.7%</b> | <b>49.4%</b> | <b>-11.5%</b> | <b>8.6%</b>  |

**WSKT** – PT Waskita Karya targets 2020 new contract between IDR 40 – 50 trillion. On a separate note, WSKT has secured payment of IDR 6.2 trillion from PT Jasamarga Jalanlayang Cikampek.

**SMAR** – PT Sinar Mas Agro Resources and Technology will issue bonds up to IDR 1 trillion.

**Auto Industry** – Domestic car sales dropped to 79,753 units, down 2.7% yoy in February 2020. Meanwhile, Astra Group car sales reached 43,065 units, up 3.33% yoy.

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