

DAILY UPDATE March 19, 2020

MACROECONOMIC NEWS

The Fed - The Fed announced it would reopen the so-called Commercial Paper Funding Facility to underwrite the short-term loans that companies often use to pay for their operations, a key financial market backstop first set up 2007 to 2009. At day's end it extended its reach as the economy's lender of last resort to the two dozen Wall Street primary dealers who are critical to the functioning of bond and other financial markets. By letting those companies pledge municipal bonds, corporate debt and equity securities as collateral for 90-day Fed loans, the Fed aimed to keep credit flowing to parts the economy that may face an unfolding nationwide cash crunch. The move came as US officials sought to prevent public health steps such as business shutdowns from causing widespread economic harm.

Commodities - Oil prices plunged again, shedding as much as 26% and falling to an 18-year low. The losses came as the resource battles a coronavirus-driven demand slowdown, as well as the continued escalation of a global price war between Saudi Arabia and Russia. West Texas Intermediate crude fell as much as 26%, to USD 20.06 per barrel. Brent crude, the international benchmark, fell more than 14%, to USD 24.52 per barrel at intraday lows. The commodity has slumped, shedding as much as 51% this month alone, during the coronavirus pandemic. Global demand has taken a hit amid a wave of canceled trips for airlines and cruise ships. The outbreak also sparked a global price war between OPEC and its allies as they could not agree on further production cuts.

Indonesia Economy – Indonesia tax revenue realization as of February 2020 was IDR 152.9 trillion, -5% YoY. The minister of finance stated that several type of tax revenue significantly declined throughout the period such as taxes related to import activities and corporate taxes due to CoVid-19 outbreak. The corporate income tax revenue decreased by -20% YoY to IDR 20.2 trillion. However, domestic VAT revenue still manage to booked an increase of +4.81% YoY to IDR 30.64 trillion although the overall VAT revenue decreased by -3.11% YoY to IDR 55.9 trillion.

Equity Markets

	Closing	% Change
Dow Jones	19899	-6.30
NASDAQ	6990	-4.70
S&P 500	2398	-5.18
MSCI excl. Jap	524	-3.80
Nikkei	16801	0.45
Shanghai Comp	2729	-1.83
Hang Seng	22292	-4.18
STI	2416	-0.40
JCI	4331	-2.83
Indo ETF (IDX)	13	-9.01
Indo ETF (EIDO)	14	-10.43

Currency

	Closing	Last Trade
US\$ - IDR	15223	15315
US\$ - Yen	108.08	108.76
Euro - US\$	1.0915	1.09
US\$ - SG\$	1.4445	1.44

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	22.43	-4.4	16.2
Oil Brent	26.3	-2.48	-8.6
Coal Newcastle	66.1	0.05	0.1
Nickel	11395	-385	-3.3
Tin	13575	-675	-4.7
Gold	1489.61	-45.3	-3.0
CPO Rott	572.5	-2.5	-0.4
CPO Malay	2239	-11	-0.5

Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.424	-0.02	-0.44
3 year	6.265	0.00	-0.02
5 year	6.865	0.05	0.69
10 year	7.658	0.02	0.29
15 year	8.043	0.10	1.21
30 year	8.084	0.09	1.09

CORPORATE NEWS

JPFA – PT Japfa Comfeed disclosed its FY 2019 financial results:

JPFA (IDR Bn)	2018	2019	YoY	Q4 2018	Q3 2019	Q4 2019	YoY	QoQ
Revenue	34,013	36,743	8.0%	8,675	8,935	9,565	10.3%	7.1%
Gross Profit	7,208	7,126	-1.1%	1,572	1,401	2,404	52.9%	71.7%
Operating Profit	3,724	3,182	-14.6%	738	437	1,283	73.7%	193.3%
Pretax Earnings	3,090	2,573	-16.7%	687	319	1,007	46.4%	215.5%
Net Income	2,168	1,765	-18.6%	496	214	722	45.6%	237.8%
EPS (IDR)	184.9	150.5	-18.6%	42.3	18.2	61.6	45.6%	237.8%
<i>Gross Profit Margin</i>	21.2%	19.4%	-1.8%	18.1%	15.7%	25.1%	7.0%	9.5%
<i>Operating Profit Margin</i>	10.9%	8.7%	-2.3%	8.5%	4.9%	13.4%	4.9%	8.5%
<i>Net Profit Margin</i>	6.4%	4.8%	-1.6%	5.7%	2.4%	7.5%	1.8%	5.2%

AKRA – PT AKR Corporindo disclosed its FY 2019 financial results:

AKRA (IDR Bn)	2018	2019	YoY	Q4 2018	Q3 2019	Q4 2019	YoY	QoQ
Revenue	23,548	21,703	-7.84%	6,720	5,405	6,584	-2.02%	21.81%
Gross Profit	1,555	1,892	21.71%	353	447	607	72.23%	35.72%
Operating Profit	915	1,094	19.51%	219	237	373	69.86%	57.58%
Pretax Earnings	868	865	-0.31%	195	200	215	10.10%	7.21%
Net Income	1,645	717	-56.40%	347	174	152	-56.24%	-12.91%
EPS (IDR)	410	179	-56.40%	86	43	38	-56.24%	-12.91%
<i>Gross Profit Margin</i>	6.6%	8.7%	2.1%	5.2%	8.3%	9.2%	4.0%	0.9%
<i>Operating Profit Margin</i>	3.9%	5.0%	1.2%	3.3%	4.4%	5.7%	2.4%	1.3%
<i>Net Profit Margin</i>	7.0%	3.3%	-3.7%	5.2%	3.2%	2.3%	-2.9%	-0.9%

AKRA – PT AKR Corporindo aims for its net income to grow by 15% - 20% YoY for FY 2020 to around IDR 808.5 billion – IDR 843.68 billion. Additionally, AKRA also targets for its fuel oil distribution volume to increase by 10% - 15% from last year's realization of 2.1 million kilo liter.

PTBA - PT Bukit Asam Tbk provided loan of IDR 230 billion to affiliated company, PT Satria Bahana Sarana (SBS). The loan has a term of one year and interest rate of 7.25% per annum.

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