

## DAILY UPDATE March 20, 2020

### MACROECONOMIC NEWS

**Coronavirus** - The number of coronavirus deaths in Italy surpassed those in China, as cases worldwide topped 235,000 and fatalities approached 9,800. The U.S. is preparing to raise its travel alert to its highest level for the entire world, while the U.K. denied it plans to lock down London. Trump touted FDA approval of malaria drug chloroquine to treat coronavirus patients, only to be almost immediately contradicted.

**US Economy** - Steven Mnuchin pushed his plan to send checks of USD 1,000 to every American adult and USD 500 per child within three weeks as Congress continued negotiations on a massive stimulus package. On the other hand, U.S. economic data showed the start of the coronavirus impact. Some 281,000 Americans filed for unemployment insurance for the first time in the March 14 week, the highest since 2017, but still subdued compared to the massive crush expected in coming weeks as businesses lay off workers in response to the pandemic. A manufacturing index from the Philadelphia Federal Reserve Bank plunged to -12.7 in March, the lowest since June 2012.

**UK Economy** - The Bank of England has cut interest rates again in an emergency move as it tries to support the UK economy in the face of the coronavirus pandemic. It is the second cut in interest rates in just over a week, bringing them down to 0.1% from 0.25%. Interest rates are now at the lowest ever in the Bank's 325-year history. The Bank said it would also increase its holdings of UK government and corporate bonds by £200bn with an effort to lower the cost of borrowing.

**Commodities** - WTI crude rose as much as 25% after plunging to an 18-year low. Mnuchin said he will recommend Trump ask Congress for as much as USD 20 billion to keep the Strategic Petroleum Reserve full for a decade. US Department of Energy said that the president has instructed the agency to fill the reserve "to its maximum capacity by purchasing 77 million barrels of American-made crude oil."

### Equity Markets

	Closing	% Change
Dow Jones	20087	0.95
NASDAQ	7151	2.30
S&P 500	2409	0.47
MSCI excl. Jap	503	-4.00
Nikkei	16553	-1.04
Shanghai Comp	2702	-0.98
Hang Seng	21709	-2.61
STI	2340	1.26
JCI	4105	-5.20
Indo ETF (IDX)	11	-9.35
Indo ETF (EIDO)	13	-7.77

### Currency

	Closing	Last Trade
US\$ - IDR	15913	15963
US\$ - Yen	110.71	110.86
Euro - US\$	1.0692	1.07
US\$ - SG\$	1.4509	1.45

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	25.78	3.4	14.9
Oil Brent	28.18	1.88	7.1
Coal Newcastle	66.15	0.05	0.1
Nickel	11250	-145	-1.3
Tin	13900	325	2.4
Gold	1480.86	-8.8	-0.6
CPO Rott	571.25	-1.25	-0.2
CPO Malay	2216	-23	-1.0

### Indo Gov. Bond Yields

	Last	Yield Chg	%Chg
1 year	5.945	0.15	2.57
3 year	6.532	0.27	4.25
5 year	7.33	0.02	0.32
10 year	8.124	0.00	0.00
15 year	8.525	0.00	-0.04
30 year	8.522	0.53	6.57

## CORPORATE NEWS

**WIKA** – PT Wijaya Karya disclosed its FY 2019 financial results:

WIKA (IDR bn)	2018	2019	YoY	Q4 2018	Q3 2019	Q4 2019	YoY	QoQ
Revenue	31,158	27,213	-12.7%	10,155	6,933	8,916	-12.2%	28.6%
Gross Profit	3,605	3,480	-3.5%	1,229	932	1,211	-1.5%	29.9%
Operating Profit	2,819	2,550	-9.6%	1,082	735	916	-15.4%	24.6%
Pretax Earnings	2,359	2,789	18.3%	1,200	525	1,116	-7.0%	112.4%
Net Income	1,730	2,285	32.1%	870	462	933	7.2%	102.0%
EPS (IDR)	193	255	32.1%	97	51	104	7.2%	102.0%
<i>Gross Profit Margin</i>	<i>11.6%</i>	<i>12.8%</i>	<i>1.2%</i>	<i>12.1%</i>	<i>13.4%</i>	<i>13.6%</i>	<i>1.5%</i>	<i>0.1%</i>
<i>Operating Profit Margin</i>	<i>9.0%</i>	<i>9.4%</i>	<i>0.3%</i>	<i>10.7%</i>	<i>10.6%</i>	<i>10.3%</i>	<i>-0.4%</i>	<i>-0.3%</i>
<i>Net Profit Margin</i>	<i>5.6%</i>	<i>8.4%</i>	<i>2.8%</i>	<i>8.6%</i>	<i>6.7%</i>	<i>10.5%</i>	<i>1.9%</i>	<i>3.8%</i>

**PEHA** - PT Phapros to withdraw financing facilities worth IDR 1.35 trillion from bank loan facility owned by its holding company PT Kimia Farma Tbk (KAFF). The facility will be used for business development and working capital.

## Disclaimer

The analyst(s) whose work appears in this report certifies that his or her remuneration is not correlated to his or her judgment(s) on the performance of the company(ies).

The information and/or opinions contained in this report has been assembled by Panin Asset Management from sources which we deem to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. This report may not be reproduced, distributed or published by any recipient for any purpose. Any recommendations contained herein are based on a consideration of the securities alone, and as such are conditional and must not be relied upon as a solitary basis for investment decisions. Under no circumstances is this report to be used or considered as an offer to sell, or a solicitation of an offer buy.

All opinions and estimates herein reflect the author's judgment on the date of this report and are subject to change without notice. Panin Asset Management, its related companies, their officers, employees, representatives and agents expressly advise that they shall not be liable in any way whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise arising (whether in negligence or otherwise) out of or in connection with the contents of and/or any omissions from this communication.

Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should make their own independent assessment and seek professional financial advice before they make their investment decisions.

Due to its nature as an asset management firm, it is very much possible that Panin Asset Management and/or persons connected with it may, to the extent permitted by law, have long or short positions or may otherwise be interested in any transactions or investments (including derivatives) referred to in this publication. In addition, Panin Asset Management and/or its parent, Panin Sekuritas, and/or its affiliated companies may provide services for or solicit business from any company referred to in this publication.

The analyst(s) named in this report certifies that all of the views expressed by the analyst(s) in this report reflect the personal views of the analyst(s) with regard to any and all of the content of this report relating to the subject securities and issuers covered by the analyst(s) and no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst(s) in this report.

**WE STRONGLY ADVISE INVESTORS TO CONSULT THEIR FINANCIAL ADVISOR BEFORE MAKING THEIR INVESTMENT DECISION. ALL INVESTMENT OPPORTUNITIES PRESENT SOME SORT OF RISK. INVESTORS SHOULD ASSESS THEIR RISK SENSITIVITY IN ORDER TO DETERMINE SUITABILITY OF AN INVESTMENT OPPORTUNITY ACCORDING TO THEIR RISK PROFILE.**