

DAILY UPDATE July 5, 2024

MACROECONOMIC NEWS

Oil Price - Oil prices rose slightly in Asian trade on Friday, reaching a two-month peak due to optimism over increased summer demand and potential supply disruptions. Crude prices are heading for a fourth week of strong gains, supported by expectations of tighter oil markets and a weaker dollar amid bets on U.S. interest rate cuts. Trading volumes were muted due to the U.S. market holiday on Thursday. Oil prices are up between 3% and 4% this week, driven by expectations of higher demand during the summer travel season. U.S. travel demand, projected to hit record highs during the Independence Day week, has been a key factor. Data showing a significant drawdown in U.S. oil inventories as fuel retailers prepared for holiday travel further supported this optimism. Strong mobility indicators and rising geopolitical tensions in the Middle East also bolstered market sentiment.

US Market - U.S. stock index futures showed little movement in holiday-thinned trade on Thursday evening, as attention focused on key nonfarm payrolls data for interest rate cues. Despite markets being closed for Independence Day, Wall Street indexes were at record highs reached earlier this week due to soft economic readings, which increased expectations of a Federal Reserve rate cut by September. However, some hawkish signals from the Fed tempered these hopes. The nonfarm payrolls data, expected to show a cooling job market through June, follows a series of weaker-than-expected labor market readings this week. Despite this, the payrolls data has often surprised to the upside in recent months, maintaining investor caution ahead of Friday's report. A cooling labor market is crucial for the Fed to consider lowering interest rates, a scenario yet to unfold. Wall Street remained at record highs amid these rate cut expectations, even as caution prevailed before the payrolls data release.

Equity Markets

	Closing	% Change
Dow Jones	39,308	-0.06
NASDAQ	18,188	0.88
S&P 500	5,537	0.51
MSCI excl. Jap	709	1.08
Nikkei	40,870	-0.11
Shanghai Comp	2,958	-0.83
Hang Seng	18,028	0.28
STI	3,436	-0.11
JCI	7,221	0.34
Indo ETF (IDX)	16	1.38
Indo ETF (EIDO)	20	1.03

Currency

	Closing	Last Trade
US\$ - IDR	16,330	16,330
US\$ - Yen	161.28	161.09
Euro - US\$	1.0812	1.0816
US\$ - SG\$	1.352	1.351

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	84.0	0.5	0.6
Oil Brent	87.5	0.46	0.5
Coal Newcastle	136.5	1.5	1.11
Nickel	17217	-106	-0.6
Tin	33158	-205	-0.6
Gold	2358	-2.1	-0.1
CPO Rott	975		
CPO Malay	4052	-45	-1.1

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.718	0.01	0.089
3 year	6.764	-0.001	-0.015
5 year	6.962	0	0
10 year	7.094	0.002	0.028
15 year	7.092	0	0
30 year	7.123	0.00	-0.014

CORPORATE NEWS

SRAJ - PT Sejahteraraya Anugrahjaya plans a private placement of up to 1.2 billion shares, equivalent to 10% of its paid-up capital. The funds will be used for the expansion of Mayapada Hospital in South Jakarta, adding 100 beds by Q2 2026, and for the development of Mayapada Apollo Batam International Hospital with 200-250 beds by 2026. Additionally, they will purchase land and begin construction of Mayapada Hospital Surabaya 2, expected to operate by 2027. The funds will also be used to repay IDR 1.5 trillion debt to PT Surya Cipta Inti Cemerlang. This move aims to improve the capital structure and reduce financial burden. Investor approval will be sought at the AGMS on August 12th, 2024.

PALM - PT Provident Investasi Bersama has announced its voluntary tender offer for PT Mega Manunggal Property (MMLP) shares worth IDR 969 billion. They are offering to purchase 2.76 billion shares (40.2% ownership) at IDR 350/share, which is 4.8% higher than the closing price on July 4th, 2024. The voluntary tender offer is conducted through their subsidiary, PT Suwarna Arta Mandiri, which will increase PALM's stake in MMLP to 63.59%. The offering period runs from July 2nd to July 31st, 2024, with payment scheduled for August 9th, 2024.

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