

DAILY UPDATE July 22, 2024

MACROECONOMIC NEWS

US - U.S. President Joe Biden abandoned his reelection bid on Sunday under growing pressure from his fellow Democrats and endorsed Vice President Kamala Harris as the party's candidate to face Republican Donald Trump in the November election.

Euro-zone Economy - Euro zone inflation will continue to slow in the coming years and could dip below the European Central Bank's 2% target by 2026%, an ECB survey showed on Friday.

German Economy - German producer prices fell by 1.6% on the year in June, in line with analysts' expectations in a Reuters poll, the federal statistics office reported on Friday

US Economy - The U.S. inflation data release on Friday will challenge market expectations of a Federal Reserve rate cut in September. Economists predict June's PCE price index will rise 0.1% for the second consecutive month, reducing three-month annualized core inflation to its slowest pace this year, below the Fed's 2% target. A recent drop in the consumer price index has strengthened market expectations of a rate cut. Fed Chair Jerome Powell noted that the latest inflation readings boost confidence in achieving the Fed's target sustainably.

Oil Price - Oil prices fell to their lowest since mid-June on Friday due to potential ceasefire talks in Gaza and a strong dollar. The Gaza conflict had added a risk premium to oil trading, but a ceasefire could reduce attacks by Iran-backed Houthi rebels. Additionally, stronger-than-expected U.S. economic data boosted the dollar, which typically lowers demand for dollar-denominated oil from international buyers.

Equity Markets

	Closing	% Change
Dow Jones	40,288	-0.93
NASDAQ	17,727	-0.81
S&P 500	5,505	-0.71
MSCI excl. Jap	696	-1.75
Nikkei	39,696	-0.92
Shanghai Comp	2,982	0.17
Hang Seng	17,418	-2.03
STI	3,439	-0.26
JCI	7,294	-0.36
Indo ETF (IDX)	16	-0.18
Indo ETF (EIDO)	20	-0.39

Currency

	Closing	Last Trade
US\$ - IDR	16,191	16,191
US\$ - Yen	157.48	157.46
Euro - US\$	1.0882	1.0892
US\$ - SG\$	1.345	1.345

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	80.5	-1.7	-2.0
Oil Brent	83.0	-1.66	-2.0
Coal Newcastle	135.1	0.1	0.07
Nickel	16256	-167	-1.0
Tin	31050	-554	-1.8
Gold	2411	-11.9	-0.5
CPO Rott	975		
CPO Malay	3961	32	0.8

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.718	-0.02	-0.238
3 year	6.753	-0.006	-0.089
5 year	6.84	0.017	0.249
10 year	6.967	0.017	0.245
15 year	7.083	0.004	0.057
30 year	7.09	0.01	0.17

CORPORATE NEWS

BKSL - PT Sentul City plans to sell land to Genting Plantations Bhd (GenP). According to GenP's disclosure to the Malaysia Stock Exchange on July 19th, 2024, GenP has signed sale and purchase agreements with three landowners: BKSL, PT Aftanesia Raya, and PT Primatama Cahaya Sentosa. GenP plans to buy two plots of land totaling 152 hectares in Sentul City, West Java, for MYR 593 million (IDR 2 trillion). The first plot is 80 hectares (IDR 1.76 trillion), and the second is 72 hectares (IDR 288 billion). GenP will finance the transaction with internal cash and bank loans. The acquisition is expected to be completed in Q1 2024, aiming to expand the company's presence in Indonesia.

RMKE - PT RMK Energy has acquired three coal mines in Jambi, investing trillions for the action. The company targets 3.3 million tons of coal production with these new mines. The acquisition was executed by PT Nusantara Bara Tambang (NBT), a 55% indirectly owned subsidiary, through a share purchase agreement with Nusantara Energy Limited (NEL) and Nusantara (Luxembourg) SARL (NS) on July 16th, 2024. NBT will acquire all shares of NEL and NS in PT Artha Nusantara Mining (ANM) and PT Artha Nusantara Resources (ANR) for USD 80 million (IDR 1.3 trillion). These mines have 537.7 million tons of coal resources and 180 million tons of proven reserves at a stripping ratio of 3:1. Last year, they produced 700,000 MT of coal. RMKE plans to build integrated logistics facilities in South Sumatra, with the mines connected by a 109 km hauling road, stockpiles, loading conveyors, and a jetty. This acquisition is part of RMKE's strategy to diversify its geographic operations beyond South Sumatra.

TPIA - PT Chandra Asri Pacific, through its subsidiary PT Chandra Pelabuhan Nusantara (CPN), operates integrated maritime services and liquid bulk storage for various industries in Cilegon. CPN manages three strategic docks in the Sunda Strait with a total capacity of 96,000 DWT and tank facilities of 518,000 cubic meters for naphtha, ethylene, propylene, pyrolysis gasoline, and more. This presence aims to optimize operational efficiency and add value for stakeholders. CPN's services are expected to advance the industries in Cilegon, making it one of the largest port and liquid bulk storage facilities in the region. CPN is currently seeking a concession to serve external customers by 2025.

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