

DAILY UPDATE December 16, 2024

MACROECONOMIC NEWS

Oil Price - Oil prices hit a three-week high on Friday, with Brent rising 5% and WTI 6% for the week, driven by expectations of tighter supplies from new sanctions on Russia and Iran and optimism over lower interest rates in the U.S. and Europe. The EU approved its 15th sanctions package targeting Russia, while the U.S. considers similar measures. Lower rates, expected to continue in 2025, could support economic growth and oil demand.

US Fed Meeting - The Federal Reserve is expected to implement a 25-bps rate cut at its final 2024 meeting, marking the third consecutive reduction, lowering the range to 4.25%-4.50%. With this already priced in, investors await guidance on potential 2025 cuts. Updated economic projections will shed light on policymakers' outlook, with Fed Chair Jerome Powell recently noting stronger-than-expected economic conditions. Analysts note dovish risks, with Powell likely emphasizing that rate adjustments will depend on inflation and employment trends.

UK Economy - The Bank of England is expected to hold rates at 4.75% on Thursday, delaying further cuts until February. Markets anticipate three 25-bps cuts by the end of 2025, despite recent data showing two consecutive months of GDP contraction. While concerns over economic weakness persist, the BoE remains cautious, having recently lowered its 2024 growth forecast to 1% but projecting a stronger rebound to 1.5% in 2025 due to fiscal stimulus.

Japan Economy - The Bank of Japan is expected to hold rates steady at its final 2024 meeting on Thursday, as officials wait for more data on wages and clarity on U.S. policies. While Bloomberg noted little cost in delaying further tightening, market volatility remains high, especially if the Fed unexpectedly pauses its rate cut, potentially affecting the dollar-yen exchange rate.

Equity Markets

	Closing	% Change
Dow Jones	43,828	-0.20
NASDAQ	19,927	0.12
S&P 500	6,051	0.00
MSCI excl. Jap	722	-0.61
Nikkei	39,573	0.26
Shanghai Comp	3,392	-2.01
Hang Seng	19,971	-2.09
STI	3,811	0.02
JCI	7,325	-0.94
Indo ETF (IDX)	16	-1.33
Indo ETF (EIDO)	20	-1.59

Currency

	Closing	Last Trade
US\$ - IDR	16,009	16,009
US\$ - Yen	153.65	153.73
Euro - US\$	1.0501	1.0521
US\$ - SG\$	1.349	1.348

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	71.0	1.0	1.4
Oil Brent	74.3	0.87	1.2
Coal Newcastle	130.8	-1.75	-1.32
Nickel	15862	-306	-1.9
Tin	29097	-437	-1.5
Gold	2653	-37.1	-1.4
CPO Rott	1295		
CPO Malay	4816	-103	-2.1

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	7.009	0.05	0.675
3 year	7.024	-0.006	-0.085
5 year	6.924	-0.003	-0.043
10 year	7.059	0.035	0.498
15 year	7.113	-0.001	-0.014
30 year	7.107	0.01	0.099

CORPORATE NEWS

FASW - PT Fajar Surya Wisesa plans a rights issue of 1 billion new shares at IDR 500 each, pending shareholder approval in an EGM on Jan 22nd, 2024. Proceeds will reduce debt, improve the company's debt ratio, and boost stock liquidity. The company reported a net loss of IDR 996 billion as of Sept 2024, up from IDR 626 billion in 2023, leading to its special monitoring status on the Indonesia Stock Exchange due to low public ownership (0.29%). Management hopes the rights issue will strengthen finances and attract more investors.

KEJU - PT Mulia Boga Raya plans to distribute bonus shares worth IDR 206 billion from additional paid-in capital, with a 4:11 ratio, issuing up to 4.1 billion new shares. This will increase the total shares to 5.6 billion. Key dates include the cum-date on Dec 27th, 2024, and bonus distribution on Jan 17th, 2025, pending approval at the EGM on Dec 17th, 2024. The move aims to strengthen capital structure, enhance stock liquidity, and benefit shareholders, with management optimistic about improving trading performance on the IDX.

KOBX – PT Kobexindo Tractors conducted affiliated transactions totaling IDR 238 billion between Nov and Dec 2024. The company injected IDR 170 billion into its subsidiary, Khatulistiwa Prima Sejahtera, increasing its ownership to 99%. Meanwhile, Kobexindo Equipment injected IDR 68 billion into Kobexindo Rental Nusantara, raising its ownership to 99%. These transactions, involving affiliated entities, have no material impact on the company's operations, legal standing, financial condition, or business continuity.

SOHO - PT Soho Global Health secured an IDR 750 billion credit facility from Bank BNI to support its subsidiaries, Soho Industri Pharmasi (SIP) and Parit Padang Global (PPG). The facility includes IDR 600 billion for tender guarantees and other bankable guarantees, and IDR 150 billion for working capital and trade financing. The loans carry a 12-month term (Dec 12th, 2024–Dec 11th, 2025) with interest based on a 3-month JIBOR plus a 1% margin. Notably, no collateral is required, providing financial flexibility for operational cash flow and working capital needs.

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