

## DAILY UPDATE December 19, 2024

### MACROECONOMIC NEWS

**US Economy** - The Federal Reserve reduced its benchmark interest rate by 25 bps to 4.25%-4.5%, marking its third rate cut this year. However, the Fed halved its 2025 rate-cut forecast, now projecting just two cuts instead of four, as inflation is expected to take longer to reach the 2% target. Chairman Jerome Powell cited stronger-than-expected economic growth, reduced labor market risks, and uncertainty around inflation as reasons for the cautious approach. The Fed also raised its long-term neutral rate forecast to 3% from 2.9%, reflecting a slower path of rate cuts amid resilient economic and labor market conditions. US Treasury yields jumped following the news, with the 2-yrs Treasury trading surging 11 bps to 4.346%.

**US Market** - The Dow plunged over 1,100 points as the Federal Reserve delivered a 0.25% rate cut but reduced 2024 cut expectations, driving Treasury yields higher and spurring broad stock declines. At close, the Dow fell 2.6%, S&P 500 lost 3%, and NASDAQ slid 3.6%. NVidia reversed gains, closing 1% lower, while Tesla slumped 8%. Jabil surged 7% on strong earnings, Birkenstock rose 2% on upbeat Q4 results, but General Mills dropped after trimming its annual earnings outlook due to higher promotional costs.

**UK Economy** - The Bank of England is expected to keep rates steady at 4.75% despite economic slowdown, as inflation and wage growth remain high. Markets anticipate gradual cuts, starting in February 2024, though uncertainty lingers after unexpected wage growth data. In contrast, the ECB and U.S. Federal Reserve plan faster rate reductions. British inflation, at 2.6% in November, exceeds forecasts and G7 peers, with services inflation steady at 5%. Wage growth of 5.2% also outpaces the BoE's 2% inflation target, complicating policy decisions. Most economists foresee no major shifts until February's updated forecasts.

### Equity Markets

	Closing	% Change
Dow Jones	42,327	-2.58
NASDAQ	19,393	-3.56
S&P 500	5,872	-2.95
MSCI excl. Jap	717	0.40
Nikkei	38,658	-1.08
Shanghai Comp	3,354	-0.84
Hang Seng	19,617	-1.25
STI	3,765	-0.39
JCI	7,108	-0.70
Indo ETF (IDX)	15	-3.28
Indo ETF (EIDO)	18	-3.35

### Currency

	Closing	Last Trade
US\$ - IDR	16,098	16,098
US\$ - Yen	154.8	154.68
Euro - US\$	1.0353	1.0376
US\$ - SG\$	1.363	1.361

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	70.2	0.0	0.0
Oil Brent	73.0	-0.25	-0.3
Coal Newcastle	128.3	-0.75	-0.58
Nickel	15508	5	0.0
Tin	29116	69	0.2
Gold	2617	-34.4	-1.3
CPO Rott	1295		
CPO Malay	4494	-176	-3.8

### 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	6.987	0.008	0.115
10 year	7.054	0	0
15 year	7.143	0.004	0.056
30 year	7.113	0.00	0.014

## CORPORATE NEWS

**ENAK** - PT Champ Resto Indonesia received a voluntary tender offer from Barokah Melayu Foods Pte. Ltd. (BMF) to purchase up to 165 million public shares, representing 7% of ENAK's total paid-up shares, at IDR 1,025/share. The tender offer runs from Dec 19th, 2024, to January 17th, 2025, with payment scheduled for Jan 30th, 2025. BMF secured sufficient funding via a USD 13 million facility agreement, with USD 8.17 million already available in its shareholder's account.

**ENRG** - PT Energi Mega Persada plans a USD 12 million (IDR 192 billion) share buyback, capped at 10% of paid-up capital while ensuring at least 7.5% of shares remain public. The buyback aims to enhance shareholder value by boosting EPS and reflects management's confidence in the company's performance and growth potential. Believing the current share price undervalues its fundamentals, the company assures no material impact on operations or income, supported by sufficient working capital. Approval will be sought at an EGMS on Jan 24th, 2025, with buyback execution within 12 months post-approval.

**KKGI** - PT Resource Alam Indonesia will distribute an interim dividend of IDR 15/share for the 2024 fiscal year. The cumulative dividend date on the regular market is set for Dec 30th, 2024, with the cash dividend payment scheduled for Jan 17th, 2025.

**TOBA** - PT TBS Energi Utama secured a USD 23 million loan from Sarana Multi Infrastruktur (SMI) to finance a 42 MW floating solar power plant project at Tembesi Reservoir in Batam, Riau Islands. The loan agreement, signed on Dec 16th, 2024, follows a power purchase agreement novation between PLN Batam and Nusantara Tembesi Baru Energi in July. The project supports the company's eco-friendly business expansion and contributes to its carbon neutrality goal by 2030, with expected positive impacts on operations, finances, and sustainability.

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