

## DAILY UPDATE January 2, 2025

### MACROECONOMIC NEWS

**Oil Prices** - Oilfield services stocks may see strong returns in 2025, according to Bernstein analysts applying George Soros' "boom and bust sequence model." The sector is entering phase 4, marked by improving fundamentals outpacing low investor expectations, with European stocks expected to perform best. Oil and gas capital expenditures are forecast to rise slightly to USD 610 billion, driven by 3-4% offshore spending growth. Subsea remains the most attractive segment due to strong demand and limited supply. Bernstein's top picks include Saipem, ADNOC Drilling, ADNOC Logistics & Services, SBM Offshore, and Technip Energies, citing strong backlogs, fleet utilization, and targeted growth strategies.

**US Economy** - As Trump assumes office in January 2025, his expansionary policies and proposed trade tariffs on key partners like China, Canada, and Mexico are fueling investor caution. Concerns over persistent inflation, potentially limiting Fed rate cuts, have weighed on markets, exacerbated by the central bank's recent warning of a slower rate-cutting pace due to strong labor markets. However, Goldman Sachs projects three rate cuts in 2025, reflecting optimism about easing inflation and manageable tariff impacts.

**US Market** - U.S. stock futures edged lower Wednesday evening, reflecting a cautious start to 2025 after robust 2024 gains driven by AI hype and lower rates faded in December. A stalled "Santa Rally," Fed rate-cut concerns, and policy uncertainty under incoming President Trump led to profit-taking. The S&P 500, NASDAQ, and Dow futures dipped 0.1-0.2% amid thin holiday trading. Wall Street ended 2024 with strong annual gains—NASDAQ up 28%, S&P 500 up 23%, and Dow up 12%—despite a lackluster December marked by consecutive losses and unsettling events like a vehicle attack in New Orleans and a Tesla Cybertruck explosion in Las Vegas.

### CORPORATE NEWS

**GTSI** - PT GTS Internasional will distribute an interim dividend for the 2024 fiscal year totaling IDR 23 trillion (IDR 1.5/share). The cum-dividend date on the regular market is Jan 9th, 2025, with payment scheduled for Jan 30th, 2025.

### Equity Markets

	Closing	% Change
Dow Jones	42,544	-0.07
NASDAQ	19,311	-0.90
S&P 500	5,882	-0.43
MSCI excl. Jap	705	0.09
Nikkei	39,895	-0.96
Shanghai Comp	3,352	-1.63
Hang Seng	20,060	0.09
STI	3,788	0.00
JCI	7,080	0.62
Indo ETF (IDX)	15	-0.47
Indo ETF (EIDO)	18	-0.27

### Currency

	Closing	Last Trade
US\$ - IDR	16,132	16,132
US\$ - Yen	157.24	157.49
Euro - US\$	1.0356	1.0350
US\$ - SG\$	1.366	1.365

### Commodities

	Last	Price Chg	%Chg
Oil NYMEX	72.0	2.4	3.5
Oil Brent	74.6	1.7	2.4
Coal Newcastle	125.3	-1.5	-1.2
Nickel	15328	36.0	0.2
Tin	29083	541.0	1.9
Gold	2625	9.6	0.4
CPO Rott	1295		
CPO Malay	4448	-80.0	-1.8

### 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	7.055	0.02	0.284
10 year	6.981	-0.016	-0.229
15 year	7.084	0	0
30 year	7.094	0.00	0.014

## CORPORATE NEWS

**CCSI** - PT Communication Cable Systems Indonesia plans a rights issue, offering 133 million new shares (10% of post-issue capital) at IDR 383/share, aiming to raise IDR 51 billion. Shareholders holding nine existing shares as of Jan 8th, 2025, will receive one right to purchase a new share, with non-participating shareholders facing up to 10% ownership dilution. Major shareholders will transfer their rights to Central Business Alliance Pte. Ltd. as standby buyer. Proceeds, net of issuance costs, will be used to partially repay bank loans. The new shares will be listed on Jan 10th, 2025, with rights trading and execution from January 10-16th, 2025. This initiative aims to strengthen CCSI's financial structure and operational capacity.

**INRU** - PT Toba Pulp Lestari will temporarily halt its pulp mill operations from Nov 29th, 2024, to May 11th, 2025, due to reduced wood supply from its licensed forest areas, caused by land claims from local communities. The shutdown will impact production, reduce company revenue, and affect the local economy, particularly in Parmaksian District, Toba Regency. While no legal issues arise from this decision, it highlights the company's challenges in managing raw material sustainability and community relations, underscoring the need for long-term solutions to stabilize operations and support local economic growth.

**WSKT** - PT Waskita Karya (persero), through its subsidiary Waskita Toll Road (WTR), injected IDR 1.17 trillion into Waskita Sriwijaya Toll (WST) by acquiring 1.17 million new shares. Following the transaction, WTR owns 99% of WST, while Prodexim and Bende hold 0.08% and 0.10%, respectively. This affiliate transaction, valued at 10% of Waskita's equity and 4% of WTR's equity, aims to restructure WST's capital, enhance its performance, and add value to WTR as its majority shareholder.

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