

DAILY UPDATE January 13, 2025

MACROECONOMIC NEWS

Oil Price - Oil prices surged over 3% to a three-month high on Friday, driven by U.S. sanctions targeting Russia's oil sector. The sanctions aim to disrupt every stage of Moscow's oil operations, including producers, traders, tankers, and ports, marking the most comprehensive package yet. Brent crude ended at USD 79.76/barrel, briefly surpassing USD 80, while WTI settled at USD 76.57. Analysts suggest the timing of the sanctions, just before Trump's Jan. 20 inauguration, positions them as leverage for Ukraine peace talks.

US Economy - This week's inflation data, coming amid Friday's strong jobs report, will test market sentiment. December CPI is expected to show a 2.9% annual increase, remaining above the Fed's 2% target. Markets have delayed expectations for the next Fed rate cut to June after payrolls surged by 256,000 in December, far exceeding forecasts, with unemployment falling to 4.1%. While the Fed began cutting rates in September, inflation remains elevated, with projections of 2.5% in 2025. Fed minutes revealed concerns that Trump's trade and immigration policies could complicate efforts to control inflation.

US Market - Major U.S. banks, including JPMorgan, Wells Fargo, Citigroup, and Goldman Sachs, will report Q4 earnings on Wednesday, followed by Bank of America and Morgan Stanley on Thursday. Robust investment banking fees, strong trading income, and reduced deposit rate pressures are expected to drive positive results. Optimism also stems from Trump's anticipated deregulation and tax reforms, which could boost profitability. Overall, S&P 500 earnings are projected to have risen nearly 10% YoY, according to LSEG IBES data.

UK Economy - UK inflation data due Wednesday will draw attention after last week's gilt selloff increased pressure on the new Labor government amid efforts to revive the economy. December CPI is forecasted to rise 2.6% annually, staying above the Bank of England's 2% target. Gilt yields have climbed due to reduced BoE rate-cut expectations, increased borrowing in the Oct. 30 budget, and higher US Treasury yields tied to Trump's fiscal and tariff policies. BoE officials, including Deputy Governor Sarah Breeden and MPC member Alan Taylor, are set to speak this week, adding further market focus.

Equity Markets

	Closing	% Change
Dow Jones	41,938	-1.63
NASDAQ	19,162	-1.63
S&P 500	5,827	-1.54
MSCI excl. Jap	688	-0.94
Nikkei	39,190	-1.05
Shanghai Comp	3,149	-0.62
Hang Seng	18,918	-0.77
STI	3,789	-0.34
JCI	7,089	0.34
Indo ETF (IDX)	15	-0.60
Indo ETF (EIDO)	18	-0.60

Currency

	Closing	Last Trade
US\$ - IDR	16,190	16,190
US\$ - Yen	157.73	157.51
Euro - US\$	1.0244	1.0241
US\$ - SG\$	1.372	1.371

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	78.1	4.0	5.3
Oil Brent	81.2	4.05	5.3
Coal Newcastle	113.5	-2.25	-1.94
Nickel	15658	176	1.1
Tin	29886	34	0.1
Gold	2684	12.6	0.5
CPO Rott	1295		
CPO Malay	4391	100	2.3

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	7.073	-0.09	-1.312
3 year	7.083	0.009	0.127
5 year	7.097	-0.017	-0.239
10 year	7.167	-0.013	-0.181
15 year	7.237	0.002	0.028
30 year	7.172	0.02	0.224

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China Economy - China is set to release key economic data this week, including GDP figures expected to confirm 5% annual growth for 2024, aligning with President Xi Jinping's December announcement. Additional data on house prices, industrial production, and retail sales will provide further insights into the economy amid looming U.S. tariff hikes. Vice Finance Minister Liao Min stated that Beijing has ample fiscal tools and plans to increase spending to boost investment and support growth.

CORPORATE NEWS

MEDC - PT Medco Energi Internasional allocated USD 12 million for exploration activities in Q4 2024 across multiple areas. Key projects included drilling the West Kalabau-1 well in Rimau (USD 1.06 million), completing geophysical surveys in West Bangkanai (USD 45,000), and seismic data reprocessing at Pusat Gempita (USD 122,000). Additional efforts involved 3D seismic acquisition in Corridor (USD 507,000) and drilling the Sumpal Shallow-1 well (USD 10.26 million), which identified gas zones through downhole sampling. Total exploration efforts aimed to enhance resource identification and development potential.

PGAS - PT Perusahaan Gas Negara secured an additional 4,651 BBTU gas supply from PetroChina Jabung Block (PCJL) to meet industrial and power sector demand as allocated by the government. The gas, delivered from Betara Gas Plant in Jambi, reflects a joint commitment with SKK Migas to ensure domestic energy security. A Gas Sales Agreement for Jan 1st, 2025, to Dec 31st, 2026, was signed on Jan 10th, 2025, by PGN's Commercial Director and PCJL's President Director. This supply is vital amid pipeline gas challenges, with PGN actively seeking alternative sources to support energy security and industrial sustainability, while PetroChina remains committed to stable gas delivery across Indonesia.

TGUK - PT Platinum Wahab Nusantara, known for its Teguk brand, closed over 100 outlets in 2024, leaving only 35 operational. The closures were driven by weak market conditions, particularly among lower-income consumers, and declining purchasing power observed since early 2024. Customers also perceived online shopping prices as higher, further impacting sales. TGUK's store count dropped from 152 in late 2023 to 83 by mid-2024, and 35 by October. Despite raising IDR 117 billion during its July 2023 IPO, with 60% allocated for capital expenditures, the challenging environment forced the company to streamline operations.

TINS - PT Timah spent IDR 49 billion on exploration activities in Q4 2024, focusing on offshore and onshore operations. Offshore exploration involved drilling in Bangka and Kundur waters using 13 drill ships, covering a total of 12,100 meters. Onshore activities included mapping, geophysical resistivity surveys, and tin drilling (primary and alluvial) in Bangka and Belitung, totaling 3,400 meters. For Q1 2025, the company plans to continue evaluations and previous activities, deploying five drill ships offshore and conducting onshore tin drilling, ground magnetic surveys, and topographic surveys in Bangka and Belitung.

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