

DAILY UPDATE March 5, 2025

MACROECONOMIC NEWS

US Tariffs Policy - Trump imposed new tariffs on imports from Canada, Mexico, and China, including a 25% levy on Canadian and Mexican goods and an additional 10% on Chinese imports. In response, Canada announced a 25% tariff on USD 20 billion of US goods, while Mexico and China also prepared retaliatory measures. Trump warned that any countermeasures would lead to further reciprocal tariffs. Analysts express concerns over economic disruption, with Wall Street firms debating the tariffs' duration and impact. Markets reacted negatively, fearing an escalation in trade tensions that could extend to the EU and other sectors.

US Market - The S&P 500 closed lower Tuesday as an intraday rebound, led by NVidia, lost momentum amid ongoing trade war concerns ahead of Trump's speech. The Dow fell 1.6%, the S&P 500 dropped 1.2%, and the NASDAQ slipped 0.4%. NVidia closed 1.7% higher but gave up earlier gains, while Alphabet's 2% rise helped limit broader losses. Retail stocks faced mixed reactions—Target fell 3% on a cautious outlook, Best Buy dropped 13% despite strong holiday sales, and Nordstrom edged up 0.3% after beating expectations. AutoZone remained flat after missing revenue estimates.

US Foreign Policy - Trump is set to deliver his first address to Congress on Tuesday, outlining his domestic and foreign policy plans. Reuters reported that he may announce the signing of a mineral rights deal with Ukraine during his speech.

China's Economy - China announced retaliatory tariffs on US goods after Trump raised import duties on Chinese products to 20%. Beijing will impose 15% tariffs on US chicken, wheat, corn, and cotton, and 10% on soybeans, pork, and dairy. China also blacklisted 15 US entities and banned Illumina from exporting gene sequencing machines. Trump cited efforts to curb illegal fentanyl as justification for the tariffs, which also apply to Canada and Mexico. The move escalates trade tensions, echoing the 2019 US-China trade war, as both nations signal interest in a new trade deal.

Equity Markets

	Closing	% Change
Dow Jones	42,521	-1.55
NASDAQ	18,285	-0.35
S&P 500	5,778	-1.22
MSCI excl. Jap	713	-0.21
Nikkei	37,289	-0.11
Shanghai Comp	3,324	0.22
Hang Seng	22,942	-0.28
STI	3,896	0.14
JCI	6,380	-2.14
Indo ETF (IDX)	13	-1.99
Indo ETF (EIDO)	16	-1.20

Currency

	Closing	Last Trade
US\$ - IDR	16,445	16,445
US\$ - Yen	149.79	150.12
Euro - US\$	1.0626	1.0619
US\$ - SG\$	1.339	1.340

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	67.8	-0.3	-0.4
Oil Brent	70.9	-0.24	-0.3
Coal Newcastle	101.5	0.1	0.10
Nickel	15983	90	0.6
Tin	31579	4	0.0
Gold	2909	20.3	0.7
CPO Rott	1295		
CPO Malay	4338	-130	-2.9

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.465	0.00	0.062
3 year	6.587	-0.003	-0.046
5 year	6.633	-0.001	-0.015
10 year	6.87	0.001	0.015
15 year	7.014	0	0
30 year	7.024	0.00	0

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Cryptocurrency Market - Bitcoin pared losses Tuesday as dip buyers stepped in, despite lingering uncertainty over Trump's tariff and crypto policies. The cryptocurrency fell to USD 81,617 before recovering to USD 87,819. Markets had initially surged after Trump named Bitcoin and Ether among five cryptos for a national reserve but soured due to a lack of clarity on implementation. Meanwhile, Trump's crypto-themed tokens continue to struggle. Broader crypto markets rebounded, with Ether up 2%, XRP rising 6%, and Solana gaining 11%. Investors remain cautious as tariffs on China, Canada, and Mexico dampen risk appetite.

CORPORATE NEWS

UNTR - PT United Tractors' subsidiary, Tuah Turangga Agung, plans to sell its entire stake in Borneo Berkat Makmur, which owns 60% of coal miner Piranti Jaya Utama, to Reswara Minerga Hartama for USD 34.2 million. The deal, signed on March 3rd, is expected to be completed by Q2 2025 after meeting required conditions. This divestment aims to streamline its coal business for greater efficiency. The transaction is neither an affiliated party transaction nor a material transaction under OJK regulations.

BMRI - PT Bank Mandiri (Persero) plans to issue IDR 5 trillion in green bonds as part of a IDR 10 trillion target. This second phase offers two series: Series A (IDR 500 billion, 6.35% fixed rate, 370-day tenor) and Series B (IDR 4.5 trillion, 6.65% fixed rate, 3-year tenor). Interest is paid quarterly, with maturities on April 5th, 2026 (Series A) and March 25th, 2028 (Series B). Proceeds will finance or refinance at least 70% of eligible green projects. Any changes require OJK approval. Rated idAAA by Pefindo, the bonds are fully underwritten by BNI Sekuritas, BRI Danareksa Sekuritas, Mandiri Sekuritas, and Trimegah Sekuritas. Public offering runs from March 18-20th, 2025, with listing on IDX on March 26th, 2025.

MEDC - PT Medco Energi Internasional, through its subsidiary Medco E&P Rimau, discovered hydrocarbons at the West Kalabau-1 exploration well in South Sumatra's Rimau Block. MEDC's management stated the find highlights the potential of Indonesia's mature basins and aligns with MEDC's commitment to safe, efficient, and responsible exploration. The well, drilled to 3,220 feet targeting the proven Baturaja Formation, confirmed hydrocarbons, providing a strong basis for further development in collaboration with SKK Migas.

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