

Key Index

	Close	Chg (%)	Ytd (%)	Vol (M)
ASEAN				
Indonesia	6,936	-0.7	1.2	14,557
Thailand	1,528	-0.9	-8.5	3,221
Philippines	6,125	0.0	-6.7	67
Malaysia	1,458	-0.1	-2.5	83
Singapore	3,263	-0.5	0.4	275
Global				
China	3,126	0.3	1.2	24,917
Hongkong	17,931	-1.4	-9.4	1,692
S&P 500	4,454	0.1	16.0	2,087
Nasdaq	13,710	0.0	31.0	3,075
Dow Jones	34,624	0.0	4.5	290

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
IDR	15,353	-0.1	-0.6	1
7DRRR (%) - date	5.75	-	-	4.55
Govt Bond 2 yrs	6.36	0.24	3.94	4.61
Govt Bond 5 yrs	6.38	0.60	2.62	2.84
Govt Bond 10 yrs	6.73	0.55	3.32	(3.08)

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	y-y (%)
Coal	US\$/ton	161	0.2	7.5	(63)
Gold	US\$/toz	1,935	0.1	2.7	16
Nickel	US\$/mt. ton	19,757	-0.3	-1.3	(19)
Tin	US\$/mt. ton	25,608	1.8	3.6	28

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	y-y (%)
Cocoa	US\$/mt. ton	3,757	-3.6	5.0	55
Corn	US\$/mt. ton	476	-1.0	-1.7	(30)
Crude Oil	US\$/barrel	91	1.0	13.7	8
Palm Oil	MYR/mt. ton	3,678	-0.3	-4.9	2
Rubber	US\$/kg	145	-0.8	11.5	6
Coffe	US\$/60 kg bags	158	0.3	7.6	(27)
Soybean	Usc/lbs	1,340	-1.8	-3.4	(9)
Sugar	US\$/MT	27	0.7	14.1	52
Wheat	US\$/mt. ton	604	-2.2	-3.6	(31)

Daily News

- Plantation: CPO production decline might not reach 10%**

Indonesian Palm Oil Association (GAPKI) predicts that El Nino will not cause a decrease in CPO production target of 10% this year. However, the impact might still linger up to next year. (Kontan)

What we think: GAPKI reiterates their initial statement from a few months ago of not seeing the CPO production fall above 10% this year. They also project that the decline in CPO production could range between 1 – 3 million tons of CPO by next year or around 2% - 6% of the potential output due to the El Nino weather pattern.

- Renewable: Indonesia Plans First Carbon Trade Next Week**

The Financial Services Authority (OJK) said that the government plans to run its first carbon trade next week, aiming to offer companies and financial institutions a mechanism to offset their emissions while funding carbon reduction projects. The market will trade carbon credit certificates issued for activities or tasks that remove carbon from the atmosphere or companies that emit pollution below a limit set by the government. The environment ministry has assigned four auditors to verify carbon reduction activities so that trading can start next. OJK has yet to announce which exchange will host the trading, but the Indonesia Stock Exchange (IDX) applied to become an operator earlier this month. (Kontan)

What we think: The carbon market is one of the solutions for companies to offset their carbon emission rather than the carbon tax that may impact economic growth. Some listed companies, such PGEO and other renewable energy producers, will benefit from selling their carbon credits.

- Three companies are interested in acquiring PTPP assets**

Krakatau Steel (KRAS), Chandra Asri Petrochemical (TPIA), and Danareksa are interested in acquiring PT PP Tbk (PTPP) assets worth IDR 862B. The three of them are currently in the negotiation stage with PTPP for the sale of PT PP Krakatau Tirta (PPKT), a drinking water supply system (SPAM) with a capacity of 1,000 liters per second through a build-use-transfer scheme with PDAM Giri Tirta, Gresik Regency. PTPP controls 75% of PPKT's shares, and KRAS holds the remaining 25% of shares through its subsidiary, Krakatau Tirta Industri (KTI). KRAS is the majority shareholder of KTI, with a portion of 51%, and TPIA holds 49% of the shares. (Investor Daily)

What we think: With many interested buyers, PTPP may sell the asset with a higher valuation and book more profit. The additional cash from asset divestment can support PTPP's working capital on other ongoing projects. However, PTPP will also give up recurring income from SPAM once the asset is divested.



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Recommendation ratings

Rating	Buy	Hold	Sell
Classification	≥10%	> -10% or < 10%	≤-10%

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