



### Market & News in Brief

#### Market View

##### **Asian stocks sink with oil as China woes tighten grip**

Asian trading got off to a depressingly familiar start, with stocks, oil and commodity-linked currencies sliding as a renewed bout of China-fueled risk aversion stoked demand for haven assets. The MSCI Asia Pacific excluding Japan Index slid 0.9%, as Australia's S&P/ASX 200 Index slumped 2.1%, sinking to its lowest level since July 2013 as mining stocks and energy producers drove declines. The Kospi index in Seoul dropped 1% to its lowest level since September, while New Zealand's S&P/NZX 50 Index slipping 0.8%, falling for a fifth day.

##### **US stocks lose USD1.36tn value last week**

US stocks could well turn in their second successive year of decline in 2016, with up to three more rate rises from the Federal Reserve ending the quantitative easing that has fuelled the market since 2008. The S&P 500 suffered its worst five-day opening to a year on record going back to 1929 and the Dow notched its worst start to the year on record dating back to 1897. The Dow Jones Industrial Average lost 1,078.58 points in the first week of 2016, down 6.2%. The broader S&P 500 was down 6% and the Nasdaq Composite Index was down 7.3%.

#### News in Brief

##### **Economy**

##### **Indonesia: BKPM target 15% increase in investments to USD42.7bn**

The Indonesian government aims to boost foreign and local investment to IDR595tn (USD42.7bn) this year, with a special focus on manufacturing. BKPM expects investment in manufacturing to grow by IDR175tn to 313tn this year, and in infrastructure, services and trade to rise by 10% to IDR183.7tn. BKPM is targeting a 12% rise in investment in the raw resources industry to IDR97.6t. Indonesia ranked 109th out of 189 countries in the World Bank's Ease of Doing Business survey last year, moving up 11 places thanks to reforms in investment licensing, online tax payments and financing incentives.

##### **Philippines: ANZ bank sees Philippines growth at 6.1% this year**

Australia and New Zealand Bank (ANZ) sees the country's gross domestic product (GDP) growth at 6.1% this year despite election-related political noise and the ongoing global recession. ANZ stated that Philippines will continue to outperform its regional peers, likely posting a GDP growth of 6.1% in 2016, before easing to 5.8% in 2017. ANZ Asean economist Eugenia Victorino said the fundamental strength of the economy would enable the Philippines to post strong growth this year.

##### **Corporate**

##### **Indonesia: Micro-hydro projects worth USD783mm on hold as PLN refuse to buy power**

State-utility firm Perusahaan Listrik Negara (PLN) is again arguing with the government in the course of Indonesia's renewable energy development, as the monopoly holds back IDR11tn (USD783mm) in micro-hydro power projects. The utility is yet to agree on purchasing deals for 114 micro hydropower project proposals across Indonesia from Sept. 2014 to Dec. 2015, putting all projects on hold. Renewable energy costs have risen steadily in recent years relative to gas and coal, which are now readily available in the global market at record low prices.

##### **Indonesia: Bukit Asam to Build USD840mm power plant**

State-owned coal miner Tambang Batubara Bukit Asam plans to construct a 600-megawatt power plant to supply state enterprise Aneka Tambang's ferronickel smelter in East Halmahera. Bukit Asam and Antam are currently completing a feasibility study for the plan and expect to begin operations in 2018 with 80 MW capacity, before rising to its final capacity in the following years. The power plant has an expected investment between USD720mm and USD840mm. The plant will consume 3 million tons of coal, sourced from Bukit Asam's mine in East Kalimantan. The collaboration will help Antam to produce 13,500 to 15,000 tons of ferronickel every year, which in turn will support the company's planned stainless steel development.

##### **Philippines: Maynilad allots PHP13.6bn for 2016 capex**

Water concessionaire Maynilad Water Services Inc. is spending PHP13.6bn to bankroll water and waste-water infrastructure projects this year. Around PHP7.5bn out of the company's capital outlay for this year would go to water infrastructure projects to ensure sufficient water supply and pressure in the West Zone, up to PHP4bn would be invested for operation support programs such as the construction, rehabilitation and upgrade of treatment plants, pumping stations and reservoirs, and the laying of primary pipelines for water service expansion. Funding for this year's capital expenditures would come from a combination of bank loans and internationally generated funds.