



Market & News in Brief

**Market View**

**China stocks recover as Asian markets breathe sigh of relief**

Major Asian markets saw a rebound on Wednesday, showing signs of stabilizing, despite lingering headwinds over China and lower commodity prices. The Australian market was in positive territory, with the main ASX 200 index up 0.52%. In Japan, the Nikkei 225 recovered nearly half its losses from Tuesday as it traded up 1.7%. The Shanghai Composite index closed up 0.2%, however Hong Kong's Hang Seng index reversed earlier gains to close down 0.9%.

**Southeast Asian stocks: Philippines and Indonesia lead regional rebound**

Most Southeast Asian stock markets rose on Tuesday, led by the Philippines and Indonesia as investors bought back recently battered shares, although caution remained over China's stock markets and weak global oil prices. The Philippine composite index climbed 1.4% after a 4.4% drop on Monday. The Jakarta composite index advanced 1.2%, rebounding from a near four-week closing low on the day before.

**News in Brief**

**Economy**

**Indonesia: Indonesia allows foreigners to own houses for longer**

Indonesia has allowed foreigners to own houses for up to 80 years in an effort to seek foreign investors. The Cabinet Secretariat said on its website on Tuesday that President Joko Widodo signed a regulation late last year giving foreigners the right to buy a landed house for three decades, with a possible extension of another 50 years. Indonesia has already relaxed ownership rules for apartments, allowing foreigners to buy units worth more than IDR10bn (USD720,000).

**Philippines: Treasury makes partial award for 10-year Treasury bonds**

The Bureau of Treasury yesterday made a partial award of the re-issued 10-year Treasury bonds (T-bonds) amid the volatile global financial markets led by the stock market crash last Monday. The government raised PHP22.18bn out of the PHP25bn offering yesterday from the 10-year debt paper, which has a remaining life of nine years and eight months. Tenders amounted to PHP28.08bn, but the auction committee ended up rejecting PHP5.9bn. The 10-year T-bonds fetched a higher rate of 4.218% compared to the 4.1% offered in the secondary market. The debt papers issued on Sept. 9 last year has a coupon rate of 3.625%.

**Corporate**

**Indonesia: Sinar Mas group USD3bn pulp and paper mill to start production by mid 2016**

Sinar Mas Group, one of the country's largest conglomerates, is on track to complete its IDR40tn (USD2.9bn) pulp and paper mill by mid-year after receiving the government's green light to fast-track imported machines. The mill, which is operated by a subsidiary of OKI Pulp & Paper Mills, has been touted to be the largest in Asia, boasting up to two million tons of pulp in annual capacity. OKI Pulp & Paper Mills, which was acquired in 2013 and now placed under Sinar Mas's pulp and paper holding company Asia Pulp and Paper, focuses on producing tissue paper, packaging and other paper products.

**Indonesia: Telkom to raise USD1.1bn from loans and bonds**

State owned Telekomunikasi Indonesia plans to raise IDR15tn (USD1.1bn) from loans and bond issuance this year to finance the company's working capital. The company plans to borrow up to IDR10tn from state-owned banks, while raising the remainder from bonds. The loans will finance costs of maintaining telecommunication towers and expanding 4G-capable SIM card usage for mobile operators unit Telkomsel. Telkom, Indonesia largest telecommunications firm brought in IDR100tn in revenue last year, a number that is projected to increase by up to 10% in 2016.

**Commodities**

**Indonesia: Government to set steel reference price**

The Indonesia government plans to impose a reference price for steel entering the Indonesian market in a bid to protect local steel products amid surging imports of cheap steel. The local steel industry faces threats from low-priced overseas products, particularly from China, the world's largest steel producer. China was forecast to have excess steel output of around 100 million tons despite possible production cuts. State-owned steelmaker PT Krakatau Steel previously stated that it had to bring its steel price in line with a low market price of between USD380 and USD390 per ton, almost half of its production cost of USD600 per ton.

**Tourism**

**Indonesia: Lombok aims to attract halal-minded tourist**

The government is upbeat that Lombok's winning of an award as one of the world's best halal tourist destinations will significantly increase the number of foreign tourists visiting the province of West Nusa Tenggara (NTB). Indonesia tourism minister expects at least 1.5 million foreign visitors in 2016 an increase of 50% from the 1 million in 2015. Lombok also won "The World's Best Halal Honeymoon Destination" at the 2015 World Halal Travel Awards in Dubai recently.