



Market & News in Brief

Market View

China stocks recover as Asian markets breathe sigh of relief

Asian shares rose Wednesday as Shanghai's market stabilized for a second day and Chinese export figures improved. Investors also were cheered by gains on Wall Street that snapped a losing streak, including an eight-day slump for the Nasdaq composite. Japan's Nikkei 225 stock index jumped 2.7% to 17,682.33 and Hong Kong's Hang Seng was up 2.5% to 20,204.74. South Korea's Kospi added 1.4% to 1,916.57. The Shanghai Composite rose 0.9% to 3,048.64 and Australia's S&P/ASX 200 gained 1.0% to 4,975.60. Shares in Southeast Asia and New Zealand also were higher.

Stocks plunge as a dismal start to 2016 gets worse

Stocks tumbled again on fears of a global slowdown and alarm over plummeting oil prices, officially sending the Standard & Poor's 500 index into what's known as a correction, or a drop of 10% or more from its peak. The Dow Jones industrial average also slumped, losing more than 300 points. The eight-day drop is the worst start to a year in the history of both the S&P 500 and the Dow. The S&P 500, which is the most closely watched gauge of the broader market and reached a record high in May, is now down 7.5% this year, while the Dow is off 7.3%.

News in Brief

Economy

Indonesia: Government issues permits to allow 198,000 cattle from Australia

The government has issued permits for the import of 198,000 live cattle from Australia for the first quarter of this year, below the import quota of 200,000 the government expected to import 600,000 live cattle this year, with 200,000 animals set to be imported in the first quarter and another 150,000 in the second. Australia, the largest foreign supplier of live cattle to Indonesia, has previously requested that Indonesia develop an annual import quota, particularly after last year's sudden import quota cut, which many believed was due to political tensions in light of the April execution of two Australian drug convicts.

Indonesia: Bankers expect Bank Indonesia to cut rate

Bank Indonesia (BI) should have enough space to cut its interest rate by 25 basis points because inflation remains under control and there is adequate liquidity in the industry. The central bank has maintained its benchmark interest rate at 7.5% for 10 consecutive months. The central bank on Wednesday held its first policy meeting of 2016, which will take two days instead of one like previous meetings. The central bank also invited Coordinating Economic Minister Darmin Nasution to the monthly meeting, to discuss assessment results from the monetary sector, financial systems stability, payment systems and rupiah management.

Philippines: Philippine aero industry to takeoff

The Philippine aerospace industry is seen to post revenues of up to USD1.5bn in the next 10 years. From only USD5.9mm in 2008, the sector's revenues surged to USD226mm in 2014. The Philippine key industry players composed of aviation parts and components manufacturers, maintenance, repair and overhaul providers, airlines, and aviation training organizations, would join the Singapore Airshow next month.

Corporate

Indonesia: Wika seeking IDR17tn contracts from high speed railway

State-run construction company PT Wijaya Karya (Wika) is aiming to reap big from a USD5.5bn high-speed railway (HSR) project, which is expected to help the company double its new contracts this year. The HSR project is designed to connect Jakarta with West Java's capital, Bandung, with trains running at over 250 kilometers per hour on a 140-kilometer-long track. The contracts to be generated from the project will account for around one-third of Wika's targeted new contracts this year, which is expected to amount to IDR52.3tn. The company has forecast that its net profits will reach IDR750.15bn by the end of 2016.

Japan: Osaka and PEZA to help boost investments

The Osaka Prefectural Government (OPG) of Japan has signed an agreement with the PEZA to make the latter's economic zones a priority for overseas expansion among Osaka-based small and medium enterprises. OPG will essentially encourage all the small and medium companies to establish in the Philippines, therefore benefitting the already existing potential suppliers in the Philippines.