



Market & News in Brief

Market View

China stocks pull back from bear-market territory in volatile day

China shares flirted with bear-market territory but regained their footing Thursday, in a volatile session that deepened losses across the region. The Shanghai Composite index rose 2% to 3,007.65 in a volatile session that briefly sent stocks into bear-market territory, defined as a fall of 20% or more from a recent high. Australia's S&P/ASX 200 fell 1.6%, Hong Kong's Hang Seng Index fell 0.4% and South Korea's Kospi lost 0.9%.

Dow closes up more than 200 points as energy bounces

U.S. stocks closed higher Thursday, stabilizing after a steep sell-off, helped by some recovery in oil prices and comments from Fed policymakers that indicated possibility of an even more gradual pace of tightening. The S&P 500 was on track to end the week unchanged but down nearly 6% for the year so far. The Dow Jones industrial average closed about 225 points higher.

News in Brief

Economy

Indonesia: Tourism braces for hit after Jakarta attacks

Indonesia faces a drop in tourist numbers, at least in the short term, following Thursday's attack in central Jakarta claimed by Islamic State, in a blow to Southeast Asia's biggest economy already growing at its slowest pace since the financial crisis. The attack could frustrate President Joko Widodo's ambitions to nearly double tourist arrivals to 20 million people by 2019, although Indonesia's tourism ministry said that it was sticking to that target despite the gun and bomb assault. Travel and tourism directly contributed around USD23bn to Indonesia's economy in 2014, or about 3.2% of GDP, according to a report from the World Travel & Tourism Council.

Corporate

Indonesia: Freeport Submits USD1.7bn Grasberg mine divestment price

Freeport McMoRan Inc's Indonesian unit has submitted a divestment price to the Indonesian government for an additional stake in one of the world's biggest copper mines. Freeport Indonesia must sell the Indonesian government a 10.64% stake of the huge Grasberg copper and gold complex in remote Papua as part of the process to extend its right to operate beyond 2021. The U.S. mining giant valued its Indonesian asset at USD16.2bn, Bambang Gatot, adding that the divestment offered to the government was worth USD1.7bn.

Indonesia: Bahana seeks 13% growth in AUM this year

Asset management firm Bahana TCW Investment Management eyes a 13% increase in managed assets this year, with plans to launch two pioneer products, including a mutual fund focused on social entrepreneurial efforts in Indonesia. Bahana TCW Investment Management, a company owned by state-run Perusahaan Perseroan and Los Angeles-based Trust Company of the West, aims to book up to IDR34tn (USD2.4bn) in managed assets by the end of the year, compared to IDR30.1tn last year. The company's portfolio is currently 25% stocks, at least 35% government bonds, some 10% in money market, and the remaining is in protected fund.

America: Goldman Sachs to pay USD5bn in mortgage settlement

Goldman Sachs said Thursday it will pay roughly USD5bn to settle federal and state probes of its role in the sale of shoddy mortgages in the years leading to the housing bubble and subsequent financial crisis. Coming nearly eight years after the crisis, the settlement is by far the largest the investment bank has reached related to its role in the meltdown. But the payment is dwarfed by those made by some of its Wall Street counterparts. Goldman will pay USD2.39bn in civil monetary penalties, USD875mm in cash payments and provide USD1.8bn in consumer relief in the form of mortgage forgiveness and refinancing.

Commodities

Indonesia: Local traders told to profit from coffee's growing popularity

Domestic coffee traders have been urged to take advantage of the country's growing appetite for quality coffee before foreign players flood the market with the commodity. Indonesian Coffee Exporters Association (AEKI) chairman Irfan Anwar said domestic coffee consumption was rising thanks to the growing number of young coffee drinkers. Indonesia produced around 600,000 tons of coffee beans a year and imported between 60,000 and 80,000 tons, with 40% of domestic production going to the domestic market. Indonesia's coffee plantation produce on average 741 kilograms per ha every year, a far cry from those of Brazil (2 tons/ha/year) and Vietnam (1.5 tons/ha/year), according to AEKI data.