



Market & News in Brief

**Market View**

**Asian markets mostly down again on Monday**

Asian shares fell again on Monday (Jan 18), hurt by data last week that showed the United States economy was slowing, and as oil prices dropped to their lowest levels since 2003. Most Asian stock markets ended lower, with Shanghai bucking the trend as China took steps to defend its currency. The Shanghai Composite Index finished up 0.4%. Among major Asian bourses, Hong Kong's Hang Seng Index closed 1.45% lower, while the Nikkei Stock Average fell 1.12%.

**News in Brief**

**Economy**

**Indonesia: Government expects non-oil & gas exports to rebound in 2016**

The Indonesian government is hoping to boost export of non-oil and gas goods by 9% in 2016, following a near 10% decline last year against the backdrop of persistently sluggish global demand and low commodity prices. Trade minister Thomas Lembong hoped that Indonesia could maintain export growth at an average of 11.5% annually for the next five years. Export, excluding oil and gas, declined by 9.77% last year to about USD132bn, while import fell by 12% to USD118bn. This led to a surplus of about USD13.5bn, compared to a USD11.2bn surplus the year before.

**Indonesia: Government to speed up transportation projects**

Twelve transportation projects will be started in the first quarter of the year as President Joko "Jokowi" Widodo witnessed the signing of 12 contracts totaling IDR2.07tn (USD148mm). The early implemented projects, aimed at speeding up budget spending, consisted of two roadways, four infrastructure installations for sea transportation, three for air transportation, two railways and a human resource development project. Indonesian transport ministry stated there will be 273 activities and/or projects to be signed in January, worth IDR14.2tn, 34.15% of the IDR41.7tn total capital expenditures.

**Corporate**

**Indonesia: Indosat set to raise IDR3.5tn in bonds sale by sept.**

Indosat Ooredoo, Indonesia's third-largest mobile service provider by subscribers plans to sell IDR3.5tn (USD251.44mm) worth of bonds no later than September this year to refinance its debts. The company will take the lower BI Rate and liquidity in the market into its consideration. The plan is part of a multiple years bond sale to raise IDR10tn in both bonds and sukuk, initiated in 2014. The provider, majority owned by the government of Qatar, sold IDR900bn worth of bonds in December. The company's first phase of multi year bond sales in 2014 raised IDR2.5tn, with the second phase in 2015 raising IDR3.1tn.

**Indonesia: SLP Surya Ticon Internusa to start operations on second phase of ready-to-use plant facility in July**

SLP Surya Ticon Internusa, a joint venture between local developer Surya Semesta Internusa and Japan's Mitsui and Thailand's Ticon Industrial Connection, plans to begin operations on the second phase of its ready-to-use warehouse and factory estate in July. The company's facility, located within the Suryacipta Technopark industrial estate in Karawang, is set to offer 12 units with a total area of 28 thousand square meters in the second phase. The new units will add to the existing 16 units within the facility, which has been operating since 2014, and now stands with an occupancy rate of about 75%.

**Indonesia: BJB eyes more infrastructure loans**

Publicly listed Bank Jabar Banten (BJB) plans to increase lending for infrastructure projects this year to support the government's program and boost economic growth. The bank booked IDR6.8tn (USD486.2mm) in its loan portfolio for infrastructure development last year and aims to increase that amount to at least IDR8tn this year. The bank also participated in the financing of the Keban Agung coal-fired power plant in South Sumatra and 13 others across the country. For infrastructure projects in 2016, BJB was in the process of joining the financing for the West Java International Airport, as well as toll roads in West Java, namely Soreang-Pasir Koja and Bogor-Ciawi, and trans-Sumatra in Sumatra.

**Property**

**Indonesia: Property sales to grow 10-12% this year**

Indonesia's property sales growth is expected to accelerate this year to 10-12% from 7-8% last year. Improvement in economic growth, implementation of government stimulus packages, as well as infrastructure development will help propel sales this year. The economy is forecast to grow around 5.2% in 2016. Latest data showed it grew 4.7% in the third quarter of 2015, its slowest since 2009. The government has been introducing stimulus packages to boost the economy, including relaxing rules on house ownership permits for foreigners.