



Market & News in Brief

Market View

Asian markets focus on Chinese GDP data

Asian equities bounced back in afternoon trade after having a mixed but volatile reaction to a slew of key Chinese data, even though the numbers were mostly in line with expectations. Chinese stocks jumped in late trade, with the Shanghai composite closing up 94.70 points, or 3.25%, at 3,008.53. The smaller Shenzhen composite closed up 65.42 points, or 3.57%, at 1,895.74. Australia's ASX 200 extended gains in late-afternoon trade to close in positive territory, up 44.39 points, or 0.91%, at 4,903.10.

US stocks falter as oil fears spoil China enthusiasm

U.S. stocks pared gains on Tuesday amid a renewed drop in oil prices, giving up most of an early rally that had been spurred by speculation of more stimulus efforts in China. On Wall Street, the Dow Jones industrial average closed up 27.94 points, or 0.17%, to 16,016.02. The S&P 500 rose 1 point, or 0.05%, to 1,881.33 and the Nasdaq Composite lost 11.47 points, or 0.26%, to 4,476.95.

News in Brief

Economy

Indonesia: Foreign debt grew faster in November 2015

Indonesia's total outstanding foreign debt growth has picked up pace in November last year, according to data from Bank Indonesia, with the central bank remaining on alert about the short-term private debt level. As of the end of November, the country recorded a total outstanding foreign debt of USD304.6bn, up by 3.2% from the same period a year earlier. That compared to a 2.5% year-on-year increase in October. About 13% of the debt, or USD40.7bn, was due in less than a year and majority of it was owed by companies which, put pressure on the country's liquidity.

Philippines: IMF lowers growth forecast

The International Monetary Fund has lowered economic growth projections for the Philippines but still expects the country to be one of the fastest growing economies in the region despite the slowdown in China and the normalization of interest rates in the US. Inflation eased to 1.4% last year from 4.1% in 2014 due to stable food prices and cheaper utility rates brought about by the continued decline in oil prices.

Philippines: DOE speeds up renewable energy contract awards

The Department of Energy has picked up pace in the award of renewable energy service contracts by clearing 42 projects at the start of 2016. In a statement these projects, which were facilitated through the Renewable Energy Management Bureau, have a potential capacity of 1,700MW. Bulk or 26 contracts are under solar power technology, 9 are hydropower projects, 4 are wind facilities and 3 are biomass power plants spread across the three main island regions. These projects are on top of the additional total potential capacity of 12,128MW recorded in November 2015.

Corporate

Indonesia: Branded hotel chain to focus on eastern Indonesia

More accommodation options will soon be available in eastern Indonesia as hotel operator Archipelago International has set its sights on the region and plans to launch up to 40 new hotels this year. The plans were in line with the government's vision to promote the eastern part of the country as a popular tourist destination. The 40 new hotels, which include newly signed and upcoming properties ranging from budget to luxury segments, will be established in Makassar in South Sulawesi, Lombok in West Nusa Tenggara and Jayapura in West Papua, among other locations. Up to 20 new hotels are being readied for launch this year.

Indonesia: Pos Indonesia mulls IPO of logistics unit in 2019

State postal firm Pos Indonesia is mulling to spin off its logistics arm, Pos Logistik Indonesia, for an initial public offering in 2019, banking on the rapid growth of online shopping in the country. The state company is aiming to reach IDR11tn (USD796mm) revenue within the next two years, with one-third, or up to IDR4tn, coming from its logistics arm. This would be more than double Pos Indonesia's estimated revenue of around IDR4tn last year and a nearly eight-fold increase from Pos Logistik Indonesia of some IDR500bn.

Commodities

Indonesia: 2016 Palm oil exports seen lower with 1st drop in 5 years

Indonesia will export lesser palm oil this year as it uses more of the commodity at home to blend into biodiesel, an industry group said, putting the country on track for its first drop in overseas sales of the tropical oil in five years. The world's top producer and exporter of palm oil is seen shipping out 23-24 million tonnes of the edible oil this year as much as 9% below year-ago levels. Lower exports could propel further gains in benchmark palm oil futures that are currently near a three-week top of MYR 2,495 (USD 570.16) per metric tons. Last year, prices rallied 10% on biodiesel demand hopes and worries of damage to yields from dryness linked to an ongoing El Nino weather event.