



Market & News in Brief

Market View

Hints of stimulus bring cheer to Asian markets

Asian markets staged a sharp rebound on Friday after central banks in Europe and Asia hinted at fresh stimulus, but analysts say more falls are in store. After some of the bloodiest trading days since the financial crisis in 2008, investors finally had something to cheer about this year, with Singapore's benchmark Straits Times Index (STI) surging 1.75% to 2,577.09. Other bourses were even more high-spirited, with Tokyo rocketing 6%, the most in four months, while Hong Kong climbed 2.9% and Shanghai advanced 1.25%.

US stocks close higher with first positive week of the year

U.S. stocks closed higher Friday, for their first positive week in four, helped by a recovery in oil from multiyear lows and hopes of stimulus overseas. The S&P 500 closed 2% higher, above the psychologically key 1,900 level, with energy gaining 4.3% to lead all sectors higher. The Dow Jones industrial average closed about 210 points higher, above 16,000, with Apple and Goldman Sachs contributing the most to gains. The Nasdaq composite outperformed, closing up more than 2.5%. The iShares Nasdaq Biotechnology ETF (IBB) gained 3.3% to end the week up 1.35%.

News in Brief

Economy

Indonesia: Indonesia to propose 4 projects for AIIB financing

The government has listed four infrastructure projects to submit this year for a USD1bn loan from the Asia Infrastructure Investment Bank. The government will request AIIB loans for highway construction in East and North Kalimantan, budgeted at a total of USD250mm, along with another USD292mm for expansion of the country's railway networks. Other projects include a potable water project estimated at USD50mm, and a television station transmission-upgrading project costing USD411mm.

Indonesia: Inflation may accelerate to 4.38% in January

Bank Indonesia has warned that inflation will likely accelerate in January due to a spike in certain food commodities. The consumer price index could rise by 0.75% in January from a month earlier. At that rate, year-on year inflation would accelerate to 4.38% this month, compared to 3.35% in December. Beef prices are on the rise, increasing by 1% alone this month after the government slapped a 10% value added tax on beef trade and import in the beginning of this year. Bank Indonesia has targeted an inflation rate of between 3% and 5% this year.

Corporate

Indonesia: Adhi seeks IDR25tn of contracts and aims for 74% growth

State-run construction companies are setting much more optimistic targets this year after struggling to meet initial new contracts targets last year, with Adhi Karya being the latest among four publicly-listed companies to announce its full-year performance projection. Adhi Karya is targeting to boost its new contracts by around 81% on an annual basis to IDR25.1tn. The combined new contracts target for listed state-run builders is projected to hit about IDR167.34tn this year, around 74% above last year's new contracts realization.

Indonesia: Government names winners of project to build fiber-optic broadband network

The Indonesian government on Friday announced the winners of contracts to build broadband Internet infrastructure for underserved areas of the archipelago. The Palapa Ring fiber-optic cable project, which is divided into three regional packages, is expected to be fully operational by Jan. 1, 2019. The western package, a USD40.39mm project that will connect Riau province, the Riau Islands and the Natuna Island off Sumatra with 2,000 kilometers of fiber-optic cable, was awarded to the Mora Telematika Indonesia-Ketrosden Triasmitra consortium. Another consortium, Pandawa Lima, won the USD47.08mm central package. The central package will connect Kalimantan, Sulawesi and North Maluku with around 2,700 kilometers of terrestrial and undersea fiber-optic cable.

Indonesia: Singapore-based Courts retail opens second megastore in Indonesia

Courts Retail Indonesia, the local arm of Singapore-listed Courts Asia, opened the doors of its second big-box outlet, Courts Megastore, in Indonesia as part of a continued strategy to tap in to the country's expanding middle-class population. Retailers, both local and foreign-owned, have long touted Indonesia as an attractive market, thanks to its expanding middle class and young consumers. As of November last year, sales from Indonesia contributed to 1.7% of Courts Asia's sales of SGD186.1mm (USD130.17mm), up 4.2% year-on-year, according to a listing on the Singapore Exchange.