



Market & News in Brief

Market View

Global oil glut sends US stock markets plummeting

US stock markets fell once more Monday as a renewed slump in oil prices, anxiety over global economic growth and central bank policies all but wiped out last week's brief recovery. The Dow Jones Industrial Average lost more than 200 points, or 1.3%, and the S&P 500 and tech-heavy Nasdaq both fell over 1.5%. European markets had already finished the day down: in London the FTSE 100 closed down 23.01 points, or 0.39%, Germany's DAX dropped 0.29% and France's Cac fell 0.58%.

Asian markets extend gains

Asian markets maintained a positive start to the new trading week on Monday, continuing to recover from the global rout that hammered stocks in the first few weeks of 2016. Australia's ASX 200 tacked on 1.84% to end at 5006.60, in Japan, the Nikkei 225 gained 0.90% to end at 17,110.9. Chinese markets also traded in positive territory, with the main Shanghai composite ending up 0.78% and the Shenzhen composite tacking on 1.01%. Away from the mainland, Hong Kong's Hang Seng index gained 1.37%.

News in Brief

Economy

Indonesia: Government to raise IDR4tn through Islamic bond sale

The government has set an indicative target to raise IDR4tn (USD288.9mm) from selling rupiah-denominated Islamic bonds, or Sukuk, on Tuesday, as part of an effort to help plug the 2016 state-budget deficit, the finance ministry said in a statement published on its website. Proceeds from the sale will be used to help plug the state-budget deficit, which is targeted to stand at 2.15% of an estimated gross domestic product (GDP) of IDR273.18tn.

Corporate

Indonesia: Lion air could revive IPO in 2017 if Indonesian economy picks up

Airline group Lion Air could go public as early as next year if Indonesia's economy recovers, its founder and owner told Reuters, saying any listing was intended to improve transparency before he plans to hand over management control in five years. Last year, weak market conditions forced the group, which operates budget flights throughout Southeast Asia, to delay plans for a listing, which would have taken place in the first quarter of 2016. In 2014, Lion Air floated plans for an IPO to raise up to USD1bn, which would be partly used for airport expansion.

Indonesia: BNI needs to raise IDR4tn in debt for 2016

State-controlled Bank Negara Indonesia (BNI) plans to raise around IDR4tn (USD289.02mm) in negotiable certificate of deposits (NCDs) and bonds in 2016. The bank has proposed a plan for NCD issuance to Indonesia's banking regulator and is now pending approval, said Panji Irawan, its treasury director, adding that the bond issuance would shortly follow.

Indonesia: Property developer Bumi Serpong misses 2015 marketing sales target

Bumi Serpong Damai, a publicly-listed property developer under the Sinar Mas Group, booked up to IDR6.8tn (USD490mm) in marketing sales in 2015, falling below its initial target of IDR7.5tn due to weakened consumer spending. About 70%, or IDR4.7tn, of the marketing sales came from the developer's flagship property, the BSD City township in Serpong. Bumi Serpong Damai's shares, traded under BSDE on the local stock exchange, fell 0.3% to IDR 1,650 each on Monday, compared to a 1.1% increase in the benchmark stock index.

Indonesia: BNI posts 15.9% profit decline

State-controlled lender Bank Negara Indonesia posted a 15.9% slump in profit last year on the back of a sluggish economy. BNI's net income declined to IDR9.1tn (USD655.62mm) in 2015 from IDR10.8tn in the previous year as the bank spent more on loan provisions and struggled to cover bad loans. BNI disbursed IDR326.1tn loans last year, up 17.5% compared to the same period a year earlier. BNI will increase third-party funds from current-account savings-accounts, which are relatively cheap compared to time deposits as they offer lower deposit rates. The lender booked 18% growth in third-party funds last year to IDR370.4tn, up from IDR313.9tn a year earlier.