

# NEWS UPDATE

Jakarta | Wednesday, Sept 11, 2019

# Business

## Nickel Inventories at Chinese ports fall to 13.25 million WMT

- SMM reported that nickel ore inventories across all Chinese ports fell 280,000 wmt from a week ago to 13.25 million wmt as of September 6. The stocks have declined for three weeks in the past four weeks.

Stocks in metal content declined 2,300 tonne this week to stand at 111,000 tonne.

Stocks across seven major Chinese ports decreased by 380,000 wmt to stand at 10.73 million wmt.

# Business

## Base Metals: Nickel, copper, zinc futures fall on low demand (Economic Time)

- New Delhi: [Nickel](#) prices fell by Rs 11.80 to Rs 1,250.20 per kg in futures trade on Monday as speculators trimmed their positions on weak demand.

On the [Multi Commodity Exchange](#), nickel for delivery in September declined by Rs 11.80, or 0.94 per cent to Rs 1,250.20 per kg in a business turnover of 14,474 lots.

- Similarly, the metal for delivery in October fell by Rs 9.90, or 0.78 per cent, to Rs 1,252.60 per kg in 668 lots.

Muted demand from alloy makers in the spot market mainly weighed on nickel future prices, analysts said.

- **Copper**

Copper futures fell 0.32 per cent to Rs 451.9 per kg in futures trade on Monday after speculators trimmed positions in tune with a weak trend in global markets

- On the Multi Commodity Exchange, copper for delivery in September fell by Rs 1.35, or 0.32 per cent, to Rs 451.9 per kg in a business turnover of 1,438 lots.

The metal prices shredded 0.25 per cent to \$262.75 on the New York-based COMEX.

- Traders said off-loading of positions by speculators amid weak global trend led to fall in copper prices at futures trade here.

- **Lead**

Lead prices were trading higher by 0.06 per cent to Rs 155.80 per kg in futures trade on Monday as participants built up fresh positions driven by pick-up in demand at the spot market.

On the Multi Commodity Exchange, lead for delivery in October contracts edged higher by 10 paise, or 0.06 per cent, to Rs 155.80 per kg in a business volume of 12 lots.

Market analysts said fresh positions created by traders due to upsurge in demand by battery-makers in the physical market mainly helped lead prices to trade higher.

- **Aluminium**

Aluminium prices on Monday edged up by 0.04 per cent to Rs 139.85 per kg in futures market after speculators built up fresh positions amid positive trend at the spot market.

On the Multi Commodity Exchange (MCX), aluminium for delivery in September contracts edged higher by 5 paise, or 0.04 per cent, to Rs 139.85 per kg in a business turnover of 1,851 lots.

Analysts said fresh positions created by traders after positive demand from consuming industries mainly led to rise in aluminium prices.

- **Zinc**

Zinc prices traded lower by 0.35 per cent to Rs 184.20 per kg in futures trade on Monday amid low demand at the spot market.

On the Multi Commodity Exchange, zinc for delivery in most-traded September declined by 65 paise, or 0.35 per cent, to Rs 184.20 per kg in business turnover of 4,942 lots.

Likewise, the metal for delivery in October contracts shed 30 paise, or 0.16 per cent at Rs 186.80 per kg in 48 lots.

Traders said, fall in demand at the domestic market mainly weighed on zinc prices here.

## Business

# Indonesia sets September coal benchmark price (HBA) at near three-year low (Reuters)

- *The previous month's benchmark price, which the government uses to calculate a miner's royalties, was \$72.67 per tonne.*
- The Indonesian government on Monday lowered the [coal](#) benchmark price (HBA) for September to \$65.79 per tonne, the lowest since October 2016, an energy ministry spokesman said.

The previous month's benchmark price, which the government uses to calculate a miner's royalties, was \$72.67 per tonne.

The weaker September benchmark was due to pressure from increased coal supply in China and India, as well as falling demand from the European continent, ministry spokesman [Agung Pribadi](#) said.

State utility [PLN](#) will purchase coal from miners at the HBA price level, instead of the \$70 price cap the government imposed on thermal coal sold domestically to power stations, Pribadi said.

- PLN has estimated it would consume 97 million tonnes of coal in 2019 and 109 million tonnes in 2020, a company official said last month.

The HBA is a monthly average of the Argus-Indonesia Coal Index (ICI-1), the Platts Kalimantan 5,900 assessment, the Newcastle Export Index and the globalCOAL Newcastle index from the previous month.

# Economy

## More foreign money coming to Indonesia's bond market after \$8.5b inflow (Jakarta Post)

- Indonesia is expected to see more capital inflows in the bond market until the end of this year as yield-seeking investors are turning to the country during times of economic slowdown and low interest rates around the world, analysts say. As of Monday, foreign investors had bought a total of Rp 118.9 trillion (US\$8.48 billion) of government bonds since the beginning of the year. The number was equal to about 46 percent of all government bond sales during the period. Mandiri Sekuritas fixed-income analyst Handy Yuniarto said on Monday that the foreign investors' rising appetite in the Indonesian bond market was not necessarily caused by tightening liquidity, but rather by slowing global growth. He explained that last year the United States Federal Reserve's decision to hike its interest rate by 100 basis points (bps) throughout the year caused foreign investors to fle...

## NATIONAL

# **Ex-Petral chief named corruption suspect** **(Jakarta Post)**

- Amid maneuvers to weaken the Corruption Eradication Commission (KPK), the anticorruption body on Tuesday named former president director of now-defunct Pertamina Energy Trading Ltd (Petral) Bambang Irianto a corruption suspect in oil and gas business.
- Bambang allegedly committed wrongdoings when he was the managing director of Pertamina Energy Service Pte Ltd (PES) between 2009 and 2013.
- He allegedly received at least US\$2.9 million in bribes between 2010 and 2013 through a bank account of a company that he established identified as SIAM.

- “BTO [Bambang] is suspected of receiving \$2.9 million from Kernel Oil in exchange for giving the company preferential treatment during the tender selection for the cargo of crude oil that will be purchased by PES or Pertamina,” KPK deputy chairman Laode M. Syarif told a press conference in Jakarta on Tuesday.
- Laode said the case took a long time to progress, from investigation to identifying the suspect, because the flow of bribes transferred to Bambang’s account occurred in a number of countries.
- “In order to avoid being suspected of bribing their way to winning raw oil purchases, Bambang instructed both Pertamina and PES to purchase oil from a Dubai-based oil company called Emirates National Oil Company [ENOC]. On paper, it looked like Pertamina and PES had purchased oil from ENOC. On the contrary, the oil stock actually came from Kernel Oil, which then received payments that were addressed to ENOC.

- Previously, then-commissioner and operational manager of PT Kernel Oil Indonesia, Simon Gunawan, was sentenced to 3 years in prison and a fine of Rp 200 million (\$14,235) in 2013.
- The KPK advises multinational corporations operating in Indonesia to refrain from bribing government officials in order to win tender slots.
- “We ask multinational companies operating in Indonesia to monitor their employees closely and ensure that they perform good corporate governance. The same goes for state-owned company [BUMN] officials,” said KPK spokesperson Febri Diansyah on Tuesday.
- President Joko "Jokowi" Widodo liquidated Petral in 2015 as the company was reportedly used to enrich particular oil and gas business players including Bambang Irianto