

# Morning Brief

Daily | August 28, 2023

## Today's Outlook:

**Asian markets will have their first chance this Monday to react to the speeches of the world's most influential global policymakers at the Jackson Hole symposium last Friday;** where Jerome Powell (Fed Chairman), Christine Lagarde (ECB President), and Kazuo Ueda (Governor of Japan's central bank) laid out their respective monetary policies. Powell signaled that the upward trend in US interest rates will continue to curb Inflation to their Target level of 2%. As a result, there is a reasonable slowdown in the economy as well as weakening labor market conditions. Treasury yields immediately spiked in anticipation of a higher interest rate for a longer period of time, with 2-year US Treasury yields briefly rising to near cycle highs at 5.12%.

**World crude oil prices rose for the second time on Friday trading (25/08/23) but did not manage to close last week in positive territory;** resulting in Crude Oil prices still in negative territory for the second consecutive week amid signals the Federal Reserve is not finished with the trend of rising interest rates to control US Inflation. WTI closed at USD 80.05/barrel last week, down 1.7% on a weekly basis following a 2.3% decline in the previous week. However, prior to that, Crude Oil rose 7 weeks in a row which boosted WTI prices by almost 20%. This week, global crude oil prices will face challenges & potentially move more volatile as macroeconomic data related to US employment figures are released, while markets also face uncertainty from a weak economy in China plus bullish sentiment that has faded from OPEC+ production cuts plan. The prospect of the Fed's interest rate hike has also made global Gold prices more sluggish, although currently still quite stable around USD 1943.3/ounce.

## Corporate News

**Bussan Auto Finance Ready to Release IDR 458 Billion Bonds** PT Bussan Auto Finance plans to issue Sustainable Bonds II Phase IV-2023 amounting to IDR 458 billion with an interest rate of 6.5% per year. Based on the announcement of PT Kustodian Sentral Efek Indonesia (KSEI) published in Jakarta, last Friday (25/8), the plan to issue Bussan Auto Finance bonds is part of the PUB Sustainable Bonds IV which has a target of raising IDR 3 trillion. The issuance and offering of Sustainable Bonds II Phase IV-2023 is only set for one series, with a tenor of three years or maturity on September 8, 2026. (Emiten News)

## Domestic Issue

**As BI's New Investment Instrument, SRBI is Expected to Stabilize Bond Prices** Bank Indonesia (BI) has announced a new instrument. The instrument called Bank Indonesia Rupiah Securities (SRBI) that will be in effect on September 15, 2023. SRBI has a short tenor of 1 week-12 months. This instrument uses government bonds owned by BI. With the reduced supply of government bonds, especially in the last demand, SRBI can be an alternative for investors to keep investing in low-risk Indonesian debt securities, but still maintain attractive yields. (Emiten News)

## Recommendation

**US10YT has not managed to climb back above the first Resistance which is MA10 around yield 4.264%.** If the break out attempt fails, it is expected that US10YT will slope back to MA20 Support around yield 4.189%. ADVISE: Buy on Weakness overall trend pattern is still up.

**ID10YT pullback is testing MA10 Support around 6.521% yield,** which if failed to hold, then it will rely on the second support at MA20 / yield 6.416%. ADVISE: SPECULATIVE BUY.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.17%	5.03%
FX Reserve (USD bn)	137.70	137.50	Current Acc (USD bn)	3.00	4.54
Trd Balance (USD bn)	1.31	3.46	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-18.03%	-21.18%	FDI (USD bn)	5.14	5.14
Imports Yoy	-8.32%	-18.35%	Business Confidence	104.82	105.33
Inflation Yoy	3.08%	3.52%	Cons. Confidence*	123.50	127.10

## PRICE OF BENCHMARK SERIES

FR0090 : 96.44 (-0.04%)  
FR0091 : 99.37 (0.12%)  
FR0094 : 97.50 (-0.01%)  
FR0092 : 103.45 (0.01%)

FR0086 : 98.28 (-0.11%)  
FR0087 : 99.96 (-0.08%)  
FR0083 : 106.70 (-0.01%)  
FR0088 : 99.15 (-0.60%)

## CDS of Indonesia Bonds

CDS 2yr: +0.61% to 36.58

CDS 5yr: +4.08% to 87.53

CDS 10yr: +0.30% to 151.12

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.52%	-0.01%
USDIDR	15,295	0.33%
KRWIDR	11.55	0.10%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,346.90	247.48	0.73%
S&P 500	4,405.71	29.40	0.67%
FTSE 100	7,338.58	4.95	0.07%
DAX	15,631.82	10.33	0.07%
Nikkei	31,624.28	(662.93)	-2.05%
Hang Seng	17,956.38	(255.79)	-1.40%
Shanghai	3,064.08	(18.17)	-0.59%
Kospi	2,519.14	(18.54)	-0.73%
EIDO	22.95	0.13	0.57%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,915.0	(2.0)	-0.10%
Crude Oil (\$/bbl)	79.83	0.78	0.99%
Coal (\$/ton)	149.40	0.40	0.27%
Nickel LME (\$/MT)	20,795	(34.0)	-0.16%
Tin LME (\$/MT)	25,497	(373.0)	-1.44%
CPO (MYR/Ton)	3,962	81.0	2.09%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 28 – Aug	US	21:30	Dallas Fed Manf. Activity	Aug	—	—	-20.0
<b>Tuesday</b> 29 – Aug	US	21:00	Conf. Board Consumer Confidence	Aug	116.6	116.6	117.0
	GE	13:00	Gfk Consumer Confidence	Sep	-24.4	-24.4	-24.4
	JP	06:30	Jobless Rate	Jul	2.5%	2.5%	2.5%
	JP	06:30	Job-To-Applicant Ratio	Jul	1.30	1.30	1.30
<b>Wednesday</b> 30 – Aug	US	18:00	MBA Mortgage Applications	Aug 25	—	—	-4.2%
	US	19:15	ADP Employment Change	Aug	200K	200K	324K
	US	19:30	GDP Annualized QoQ	2Q S	2.4%	2.4%	2.4%
	GE	19:00	CPI MoM	Aug P	0.2%	0.2%	0.3%
	GE	19:00	CPI YoY	Aug P	6.0%	6.0%	6.2%
<b>Thursday</b> 31 – Aug	US	19:30	Initial Jobless Claims	Aug 26	—	—	230K
	US	19:30	Personal Income	Jul	0.3%	0.3%	0.3%
	US	19:30	Personal Spending	Jul	0.7%	0.7%	0.5%
	US	20:45	MNI Chicago PMI	Aug	44.1	44.1	42.8
	CH	08:30	Manufacturing PMI	Aug	49.1	49.1	49.3
	GE	14:55	Unemployment Change (000's)	Aug	10.0K	10.0K	-4.0K
	KR	06:00	Industrial Production YoY	Jul	-5.4%	-5.4%	-5.6%
	JP	06:50	Industrial Production MoM	Jul P	-1.2%	-1.2%	2.4%
<b>Friday</b> 1 – Sep	US	19:30	Change in Nonfarm Payrolls	Aug	168K	168K	187K
	US	19:30	Unemployment Rate	Aug	3.5%	3.5%	3.5%
	US	20:45	S&P Global US Manufacturing PMI	Aug F	—	—	47.0
	US	21:00	ISM Manufacturing	Aug	46.9	46.9	46.4
	CH	08:45	Caixin China PMI Mfg	Aug	49.2	49.2	49.2
	ID	07:30	S&P Global Indonesia PMI Mfg	Aug	—	—	53.3
	ID	09:00	CPI YoY	Aug	3.34%	3.34%	3.08%
	GE	14:55	HCOB Germany Manufacturing PMI	Aug F	—	—	39.1
	KR	07:00	Trade Balance	Aug	-\$1200m	-\$1200m	\$1630m
	KR	07:30	S&P Global South Korea PMI Mfg	Aug	—	—	49.4
	JP	06:50	Capital Spending YoY	2Q	8.0%	8.0%	11.0%
	JP	07:30	Jibun Bank Japan PMI Mfg	Aug F	—	—	49.7

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

Published on Investing.com, 28 Aug 2023 - 1:24:40 GMT. Powered by TradingView.  
United States 10-Year, United States, NYSE:US10YT=X, D



## Indonesia 10 Years Treasury

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Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



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