

# Morning Brief

Daily | September 06, 2023

## Today's Outlook:

**U.S. Treasury yields rose after economic data showed resilience** and one Fed Official said it suggests that the central bank need not change the benchmark interest rates from its current position of 5.25%-5.50%. With the recent rally in Oil prices, it could block the path of US Inflation towards the 2% target. However, traders are still pricing in a 93% chance that the Fed Funds Rate will be left where it is at this September's FOMC Meeting, while the chance of rates being held flat again in November stands at 54%, as reported by CME Group FedWatch. Goldman Sachs sees a 15% probability that the US will fall into recession within 12 months, down from its previous estimate of 20%.

**The Energy sector posted the best performance out of 11 S&P500 sectors**, closing up 0.5% after Crude Oil prices hit their highest level since November 2022. Saudi Arabia & Russia who are members of OPEC+ announced to extend their production cut period until the end of the year, sparking fears of a world oil supply deficit of 1.5 million barrels per day in the fourth quarter of 2023 which will welcome the winter season. West Texas Intermediate (WTI) crude oil prices for October delivery rose 1.3% to USD86.69/barrel, a 7-month high. As noted, both Brent and WTI prices have climbed 20% since the end of June. Coal prices also surged on the back of several sentiments, ranging from the Indian government's decision to ask power producers about importing 4% of their coal needs, an increase in the level of coal-fired power plants in Europe, gas prices creeping back up to mine closures and production cuts in China.

**As expected, PMI figures in Europe are still struggling in contractionary territory**, especially for France, Germany, the Eurozone and the UK. The Eurozone released PPI (July) as expected at -7.6%, widening deflation from the previous month's -3.4%. While the US published Factory Orders which also dropped -2.1% in July, compared to June which still recorded positive growth of 2.3%. Today will see the US Trade Balance figures for July as well as their Export & Import conditions. S&P Global's Services PMI and ISM Non-Manufacturing PMI both for August will also shed light on whether there is still growth in the US services and non-manufacturing sectors.

**Gold prices fell on Tuesday trading (05/09/23)**, while the US Dollar and bond yields remained firm ahead of several statements from Federal Reserve officials scheduled this week. Expectations that the Fed will hold interest rates high for some time, made buying interest in Gold fade, although the precious metal has been quite strong over the past 2 weeks. Gold futures fell 0.7% to USD 1952.6/ounce; while spot Gold also lost 0.6% to USD 1927.15/ounce.

## Corporate News

**Pay off IDR 289.6 Billion Bond Debt, Here are Adhi Karya's (ADHI) Funding Source** PT Pemeringkat Efek Indonesia (PEFINDO) affirmed the idA- rating for the Sustainable Bonds (SR) III Phase I of PT Adhi Karya (Persero) Tbk (ADHI) worth IDR 289.6 billion which will mature on November 18, 2023. In a statement published by Pefindo and quoted on Wednesday (6/9/2023), it was stated that ADHI will fully repay the maturing bonds using a mixture of internal funds (including cash receipts from project payments) and external funding sources. Debt securities with an idA rating indicate that the issuer's ability to fulfill long-term financial commitments on the debt securities, compared to other issuers in Indonesia, is considered strong. (Emiten News)

## Domestic Issue

**Government to Auction State Sharia Securities Next Week** The government will conduct an auction of Government Sharia Securities (SBSN) or Government Sukuk on Tuesday, September 12, 2023. A press release from the Directorate General of Financing and Risk Management of the Ministry of Finance on Tuesday (5/9/2023) stated that the SBSN series to be auctioned are the SPN-S series (Surat Perbendaharaan Negara - Syariah) and PBS (Project Based Sukuk) to meet part of the financing target in the 2023 State Budget. SBSN auction with an indicative target of IDR 6 trillion with a settlement date of September 14, 2023. The SBSN series to be auctioned are as follows SPN-S 12032024, PBS036, PBS003, PBS037, PBS034 and PBS033. (Suara)

## Recommendation

**US10YT is reasonably stable above MA10 & MA20, placing the yield range of 4.218% - 4.189%** as the closest Support at the moment. The bullish swing is expected to continue to again test the Resistance from the previous high of 4.366% yield. ADVISE: Average Up accordingly.

**ID10YT is faced with a MA10 & MA20 test, making the yield range: 6.46% - 6.445%** as the closest Resistance at the moment. If this level is able to be passed, then ID10YT has the opportunity to continue the bullish swing towards the yield Target: 6.561% / 6.692% - 6.70% / 6.748%. ADVISE: Wait & See; Average Up accordingly.

## 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          | 3.27%   | 3.08%   | Cons. Confidence*    | 123.50 | 127.10 |

## PRICE OF BENCHMARK SERIES

FR0090 : 96.98 (-0.06%)

FR0091 : 99.64 (-0.38%)

FR0094 : 97.55 (0.00%)

FR0092 : 104.95 (0.21%)

FR0086 : 98.43 (-0.05%)

FR0087 : 100.42 (-0.32%)

FR0083 : 107.81 (-0.14%)

FR0088 : 99.54 (-0.14%)

## CDS of Indonesia Bonds

CDS 2yr: -0.67% to 33.46

CDS 5yr: +0.44% to 79.14

CDS 10yr: -9.17% to 131.96

## Government Bond Yields & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 6.44%  | 0.06%  |
| USDIDR         | 15,265 | 0.16%  |
| KRWIDR         | 11.47  | -0.67% |

## Global Indices

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 34,641.97 | (195.74) | -0.56% |
| S&P 500   | 4,496.83  | (18.94)  | -0.42% |
| FTSE 100  | 7,437.93  | (14.83)  | -0.20% |
| DAX       | 15,771.71 | (53.14)  | -0.34% |
| Nikkei    | 33,036.76 | 97.58    | 0.30%  |
| Hang Seng | 18,456.91 | (387.25) | -2.06% |
| Shanghai  | 3,154.37  | (22.69)  | -0.71% |
| Kospi     | 2,582.18  | (2.37)   | -0.09% |
| EIDO      | 23.15     | (0.07)   | -0.30% |

## Commodities

| Commodity          | Last    | Chg.   | %      |
|--------------------|---------|--------|--------|
| Gold (\$/troy oz.) | 1,926.1 | (16.6) | -0.85% |
| Crude Oil (\$/bbl) | 86.69   | 1.14   | 1.33%  |
| Coal (\$/ton)      | 160.50  | 3.95   | 2.52%  |
| Nickel LME (\$/MT) | 21,039  | (1.0)  | 0.00%  |
| Tin LME (\$/MT)    | 26,445  | 73.0   | 0.28%  |
| CPO (MYR/Ton)      | 3,901   | (85.0) | -2.13% |

| Date                        | Country | Hour Jakarta | Event                          | Period | Actual   | Consensus | Previous   |
|-----------------------------|---------|--------------|--------------------------------|--------|----------|-----------|------------|
| <b>Monday</b><br>4 – Sep    | JP      | 06:50        | Monetary Base YoY              | Aug    | 1.2%     | —         | -1.3%      |
| <b>Tuesday</b><br>5 – Sep   | US      | 21:00        | Factory Orders                 | Jul    | -2.1%    | -2.5%     | 2.3%       |
|                             | US      | 21:00        | Durable Goods Orders           | Jul F  | -5.2%    | —         | -5.2%      |
|                             | CH      | 08:45        | Caixin China PMI Composite     | Aug    | 51.7     | —         | 51.9       |
|                             | CH      | 08:45        | Caixin China PMI Services      | Aug    | 51.8     | 53.5      | 54.1       |
|                             | GE      | 14:55        | HCOB Germany Services PMI      | Aug F  | 47.3     | —         | 47.3       |
|                             | GE      | 14:55        | HCOB Germany Composite PMI     | Aug F  | 44.6     | —         | 44.7       |
|                             | KR      | 06:00        | GDP YoY                        | 2Q P   | 0.9%     | 0.9%      | 0.9%       |
|                             | KR      | 06:00        | GDP SA QoQ                     | 2Q P   | 0.6%     | 0.6%      | 0.6%       |
|                             | KR      | 06:00        | CPI YoY                        | Aug    | 3.4%     | 2.8%      | 2.3%       |
|                             | JP      | 07:30        | Jibun Bank Japan PMI Composite | Aug F  | 52.6     | —         | 52.6       |
|                             | JP      | 07:30        | Jibun Bank Japan PMI Services  | Aug F  | 54.3     | —         | 54.3       |
| <b>Wednesday</b><br>6 – Sep | US      | 18:00        | MBA Mortgage Applications      | Sep 1  | —        | —         | 2.3%       |
|                             | US      | 19:30        | Trade Balance                  | Jul    | -\$67.5b | -\$65.5b  | -\$65.5b   |
|                             | GE      | 13:00        | Factory Orders MoM             | Jul    | -5.0%    | —         | 7.0%       |
| <b>Thursday</b><br>7 – Sep  | US      | 19:30        | Initial Jobless Claims         | Sep 2  | —        | —         | 228K       |
|                             | CH      |              | Trade Balance                  | Aug    | —        | \$73.53b  | \$80.60b   |
|                             | CH      |              | Foreign Reserves               | Aug    | —        | —         | \$3204.27b |
|                             | ID      | 10:00        | Foreign Reserves               | Aug    | —        | —         | \$137.70b  |
|                             | GE      | 13:00        | Industrial Production SA MoM   | Jul    | -0.6%    | —         | -1.5%      |
| <b>Friday</b><br>8 – Sep    | US      | 21:00        | Wholesale Inventories MoM      | Jul F  | —        | —         | -0.1%      |
|                             | GE      | 13:00        | CPI MoM                        | Aug F  | —        | —         | 0.3%       |
|                             | GE      | 13:00        | CPI YoY                        | Aug F  | —        | —         | 6.1%       |
|                             | KR      | 06:00        | BoP Current Account Balance    | Jul    | —        | —         | \$5873.7m  |
|                             | JP      | 06:50        | GDP Annualized SA QoQ          | 2Q F   | —        | 5.7%      | 6.0%       |
|                             | JP      | 06:50        | GDP SA QoQ                     | 2Q F   | —        | 1.4%      | 1.5%       |
|                             | JP      | 06:50        | GDP Deflator YoY               | 2Q F   | —        | 3.4%      | 3.4%       |
|                             | JP      | 06:50        | BoP Current Account Balance    | Jul    | —        | ¥2263.2b  | ¥1508.8b   |

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

Published on Investing.com, 6/Sep/2023 - 11:13:15 GMT. Powered by TradingView.  
United States 10-Year, United States, NYSE:US10YT=X, D



## Indonesia 10 Years Treasury

Published on Investing.com, 6/Sep/2023 - 11:44:52 GMT. Powered by TradingView.  
Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



## Research Division

### Head of Research

**Liza Camelia Suryanata**

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

### Analyst

**Cindy Alicia Ramadhania**

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

### Analyst

**Leonardo Lijuwardi**

Banking, Infrastructure

T +62 21 5088 ext 9127

E leonardo.lijuwardi@nhsec.co.id

### Research Support

**Amalia Huda Nurfalah**

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

#### DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



## PT. NH Korindo Sekuritas Indonesia

### JAKARTA (HEADQUARTER):

District 8 Treasury Tower 51<sup>st</sup> Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 5088 9102

### Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15311

Indonesia

Telp : +62 21 509 20230

### Branch Office Medan :

Jl. Asia No. 548 S

Medan – Sumatera Utara 20214

Indonesia

Telp : +62 614 156500

### Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 860 22122

### Branch Office Bandengan (Jakarta Utara):

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

### Branch Office Kamal Muara (Jakarta Utara):

Rukan Exclusive Mediterania

Blok F No.2

Jakarta Utara 14470

Indonesia

Telp : +62 24 844 6878

### Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 1330

### Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 360 4650

### Branch Office Denpasar:

Jl. Cok Agung Tresna

Ruko Griya Alamanda No. 9

Renon Denpasar, Bali 80226

Indonesia

Telp : +62 361 209 4230

### A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta