

Morning Brief

Daily | September 11, 2023

Today's Outlook:

The Dow Jones and others closed in the green on Friday (08/09/23) although not enough to prevent a weekly decline, as US Treasury yields climbed on growing concerns that the Fed will have to keep interest rates high for some time. Yields on 10-year US government bonds are steady, and Friday's rise in 2-year US Treasury yields seems to be putting pressure on stocks. David Lefkowitz, head of US Equities at UBS Global Wealth Management, noted investors are increasingly concerned about the continued rise in interest rates since early August. The Energy sector led the gains in the stock market, gaining 1% as global crude oil prices continued to be bullish on plans to extend the production cut period by Saudi Arabia & Russia until the end of the year.

China released their Inflation (Aug.) figures at the end of last week, where the CPI managed to grow by 0.1% yoy, coming out of -0.3% deflationary territory in the previous month. The monthly increase in consumer prices also managed to match the estimate of 0.3% mom, up slightly from July at 0.2%. However, PPI (Aug.) is still wallowing in negative territory of -3.0% yoy although this deflation has slowed from -4.4% in the previous month. Still from the Asian continent, Japan reported a number of important economic data one of which was Q2/2023 GDP where it came in at 4.8% yoy, below expectations of 6.0% although clearly higher than the previous quarter's 3.2%.

From continental Europe, Germany managed to record a slowdown in their August inflation to 6.1% yoy, a slight drop from July's 6.2%.

Corporate News

Hary Tanoë's Coal Issuer (IATA) Issues IDR 750 M Bonds MNC Group energy investment issuer PT MNC Energy Investments Tbk (IATA) will carry out the issuance of Sustainable Bonds I MNC Energy Investments Phase I Year 2023 with a maximum principal amount of IDR 500 billion. In addition, the Company will also issue Sustainable Sukuk Wakalah I MNC Energy Investments Phase I Year 2023 with a maximum investment capital fund of IDR 250 billion. (CNBC Indonesia)

Domestic Issue

Bond and Sukuk Issuance Funds on the IDX Reach IDR 86.1 Trillion The Indonesia Stock Exchange (IDX) noted that funds raised from the issuance of debt securities (EBUS), both bonds and sukuk, reached IDR 86.1 trillion. This figure as of Friday (8/9) has increased from the last few weeks. IDX Director of Corporate Valuation I Gede Nyoman Yetna said the funds came from 50 issuers. "To date, 75 emissions have been issued from 50 issuers of Debt Securities (EBUS) with funds raised amounting to IDR 86.1 trillion," Nyoman told capital market reporters, quoted on Sunday (10/9/2023). Not only that, the activity of seeking capital through debt securities is still ongoing. Nyoman added that currently the stock exchange has 10 issuers who are ready to list the instrument. Of the number included in the pipeline, there are at least 15 debt securities emissions. (IDX Channel)

Recommendation

US10YT Uptrend remains intact and is back above MA20 & MA10 Support and seems to be trying to break the previous High yield level of 4.308% solidly. If that can happen, then it opens the way to the TARGET yield of the previous High level of 4.366%; or even the upper channel around 4.530% ADVISE: AVERAGE UP accordingly.

ID10YT continues to climb and potentially heads to Resistance from the previous High level around yield 6.70% - 6.748% in this short-term bullish trend. If the level can be broken, it opens the way for ID10YT to further increase the yield to the psychological level of 7.0% yield; up to the TARGET of the pattern at 7.057% - 7.085%. ADVISE: 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)	-1.90	3.00
Trd Balance (USD bn)	1.31	3.46	Govt. Spending Yoy	10.62%	3.99%
Exports Yoy	-18.03%	-21.18%	FDI (USD bn)	4.86	5.14
Imports Yoy	-8.32%	-18.35%	Business Confidence	104.82	105.33
Inflation Yoy	3.27%	3.08%	Cons. Confidence*	125.20	125.20

PRICE OF BENCHMARK SERIES

FR0090 : 96.83 (-0.01%)
FR0091 : 99.20 (+0.16%)
FR0094 : 97.55 (0.00%)
FR0092 : 104.91 (-0.06%)

FR0086 : 98.34 (+0.04%)
FR0087 : 99.73 (+0.01%)
FR0083 : 107.37 (-0.10%)
FR0088 : 99.29 (-0.04%)

CDS of Indonesia Bonds

CDS 2yr: -1.48% to 34.22

CDS 5yr: -0.51% to 80.31

CDS 10yr: -1.26% to 142.32

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.55%	-0.04%
USDIDR	15,325	0.00%
KRWIDR	11.50	0.16%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,576.59	75.86	0.22%
S&P 500	4,457.49	6.35	0.14%
FTSE 100	7,478.19	36.47	0.49%
DAX	15,740.30	21.64	0.14%
Nikkei	32,606.84	(384.24)	-1.16%
Hang Seng	18,202.07	(247.91)	-1.34%
Shanghai	3,116.72	(5.63)	-0.18%
Kospi	2,547.68	(0.58)	-0.02%
EIDO	22.72	(0.13)	-0.57%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,919.1	(0.6)	-0.03%
Crude Oil (\$/bbl)	87.51	0.64	0.74%
Coal (\$/ton)	156.25	(1.40)	-0.89%
Nickel LME (\$/MT)	20,052	(430.0)	-2.10%
Tin LME (\$/MT)	25,573	(512.0)	-1.96%
CPO (MYR/Ton)	3,830	(2.0)	-0.05%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH		Money Supply M2 YoY	Aug	10.7%	10.7%	
11 – Sep	JP	06:50	Money Stock M2 YoY	Aug	—	2.4%	
	JP	06:50	Money Stock M3 YoY	Aug	—	1.9%	
	JP	13:00	Machine Tool Orders YoY	Aug P	—	-19.7%	
Tuesday	GE	16:00	ZEW Survey Expectations	Sep	-15.1	-12.3	
12 – Sep	GE	16:00	ZEW Survey Current Situation	Sep	-76.9	-71.3	
Wednesday	US	18:00	MBA Mortgage Applications	Sep 8	—	-2.9%	
13 – Sep	US	19:30	CPI MoM	Aug	0.5%	0.2%	
	US	19:30	CPI YoY	Aug	3.6%	3.2%	
	KR	06:00	Unemployment rate SA	Aug	2.9%	2.8%	
	JP	06:00	PPI YoY	Aug	3.3%	3.6%	
Thursday	US	19:30	Retail Sales Advance MoM	Aug	0.1%	0.7%	
14 – Sep	US	19:30	PPI Final Demand MoM	Aug	0.4%	0.3%	
	US	19:30	Initial Jobless Claims	Sep 9	—	216K	
	JP	06:50	Core Machine Orders MoM	Jul	-0.9%	2.7%	
	JP	11:30	Industrial Production MoM	Jul F	—	-2.0%	
Friday	US	19:30	Empire Manufacturing	Sep	-10.7	-19.0	
15 – Sep	US	20:15	Industrial Production MoM	Aug	0.1%	1.0%	
	US	21:00	U. of Mich. Sentiment	Sep P	69.4	69.5	
	CH	09:00	Industrial Production YoY	Aug	3.8%	3.7%	
	CH	09:00	Retail Sales YoY	Aug	3.0%	2.5%	
	ID	09:00	Trade Balance	Aug	\$1640m	\$1310m	
	JP	11:30	Tertiary Industry Index MoM	Jul	0.4%	-0.4%	

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

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United States 10-Year, United States, NYSE:US10YT-X, D



Indonesia 10 Years Treasury

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