

Morning Brief

Daily | September 13, 2023

Today's Outlook:

The US CPI report later tonight at around 7.30pm GMT is eagerly awaited by market participants, who expect the US Inflation rate to rise to 3.6% yoy in August, higher than July's 3.2%; although Core CPI is expected to ease to 4.3% yoy, lower than 4.7% in the previous month.

US Treasury yields remain fairly stable in its position, with the 2-year tenor crawling above 5% ahead of the US CPI data release. Meanwhile, the price of the 10-year bond rose 4/32 putting the yield at 4.2722%, down from 4.288% at Monday's close. The price of the 30-year tenor rose 15/32 putting the yield at 4.3492%, easing from the previous 4.377% level.

From Continental Europe: The UK reported a much lower than expected increase in unemployment, with only 900 people reporting being out of work in August, but July's average wage + bonus growth of 8.5% was higher than the 8.2% estimate; this may be due to a surge in job cuts of 207k in July. July's Unemployment Rate was as expected at 4.3%. Meanwhile the German ZEW Current Conditions (Sept) still views the business climate situation pessimistically, although they are slightly optimistic about the outlook for the next 6 months as reflected in the German ZEW Economic Sentiment (Sept). Overall, the Eurozone also portrayed a relatively pessimistic ZEW Economic Sentiment during the month of September. Today important economic data from the UK will be awaited, namely: GDP (July), Industrial & Manufacturing Production (July), and Trade Balance (July); followed by Eurozone Industrial Production (July) which is predicted to still grow negatively although the weakening has started to slow down.

Commodities: Oil prices rose to near 10-month highs, triggered by the outlook of tight inventories amid rising global demand predictions based on OPEC's latest report, potentially extending last summer's profits which might be reflected in the upcoming inflation pressures. Gold prices slumped to lower than 2-week lows on the back of USD strength.

The Dollar Index, which contains the USD's position against 6 other major world currencies, rallied as the Japanese Yen retreated on the comments of one of Japan's top bankers who said that perhaps Japan should end its negative interest rate policy soon. The DXY rose 0.15%, while the Euro fell 0.2% and the JPY slipped 0.37%.

Corporate News

PEFINDO Affirms idA Rating for PT Timah Tbk (TINS) Bonds PT Perneringkat Efek Indonesia (PEFINDO) affirmed its idA rating for the Sustainable Bonds I and MTN I, as well as idA(sy) rating for the Sustainable Sukuk Ijarah I issued by PT Timah Tbk (TINS) and still outstanding. The ratings reflect TINS' strong market position, vertically integrated operations, and strong support from shareholders. The rating is limited by moderate financial policies, exposure to the risk of illegal tin mining, and the company's exposure to tin price volatility. (Bareksa)

Domestic Issue

SR019 Quota Increased to IDR 25 Trillion, Short Tenors Sold Well The Ministry of Finance has revised up the issuance target of the Government Sharia Securities (SBSN) retail sukuk series SR019 to IDR 25 trillion. Referring to data from one of Investree's distribution partners (midis) on Monday (12/9/2023), the target for issuing three-year SR019 or SR019-T3 was observed to increase to IDR 15 trillion, from the previous target of IDR 10 trillion. Director of Sharia Financing of DJPPR Dwi Irianti Hadiningdyah said that the addition of the SR019-T3 quota was carried out by considering the high enthusiasm of the public to start investing in government bond products. As of Tuesday (12/9/2023) at 13.17 Western Indonesian Time, the three-year SR019 has sold as much as IDR 10.55 trillion or around 70.37% of the target set by the government of IDR 15 trillion. This amount shows that there are still around IDR 4.4 trillion of SR019-T3 quota that can be purchased in the remaining offering period. (Bisnis)

Recommendation

US10YT appears a bit nervous when approaching Resistance from the previous High yield level of 4.366%; even breaking the yield level of 4.308% seems hesitant. ADVISE: AVERAGE UP should be done gradually after breaking the two levels. TARGET: upper channel around 4,530%.

ID10YT is moving towards the Resistance TARGET of the previous High level around 6.70% - 6.748% yield in this short term bullish trend. If the level is able to be broken, it opens the way for ID10YT to continue the yield increase to the psychological level of 7% yield; up to TARGET from the 7.057% - 7.085% pattern. 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 : 96.78 (-0.02%)
FR0091 : 98.74 (-0.19%)
FR0094 : 97.55 (0.00%)
FR0092 : 103.06 (-0.42%)

FR0086 : 98.29 (-0.03%)
FR0087 : 99.48 (-0.18%)
FR0083 : 106.83 (-0.20%)
FR0088 : 99.20 (-0.04%)

CDS of Indonesia Bonds

CDS 2yr: +0.49% to 33.74

CDS 5yr: -0.86% to 78.50

CDS 10yr: +0.43% to 140.49

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.65%	0.04%
USDIDR	15,340	0.10%
KRWIDR	11.56	0.39%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,645.99	(17.73)	-0.05%
S&P 500	4,461.90	(25.56)	-0.57%
FTSE 100	7,527.53	30.66	0.41%
DAX	15,715.53	(85.46)	-0.54%
Nikkei	32,776.37	308.61	0.95%
Hang Seng	18,025.89	(70.56)	-0.39%
Shanghai	3,137.06	(5.72)	-0.18%
Kospi	2,536.58	(20.30)	-0.79%
EIDO	22.81	(0.14)	-0.61%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,913.7	(8.6)	-0.45%
Crude Oil (\$/bbl)	88.84	1.55	1.78%
Coal (\$/ton)	159.00	1.00	0.63%
Nickel LME (\$/MT)	19,923	(562.0)	-2.74%
Tin LME (\$/MT)	25,524	(279.0)	-1.08%
CPO (MYR/Ton)	3,683	(30.0)	-0.81%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH		Money Supply M2 YoY	Aug	10.6%	10.7%	10.7%
<i>11 – Sep</i>	JP	06:50	Money Stock M2 YoY	Aug	2.5%	—	2.4%
	JP	06:50	Money Stock M3 YoY	Aug	1.9%	—	1.9%
	JP	13:00	Machine Tool Orders YoY	Aug P	-17.6%	—	-19.7%
Tuesday	GE	16:00	ZEW Survey Expectations	Sep	-11.4	-15.1	-12.3
<i>12 – Sep</i>	GE	16:00	ZEW Survey Current Situation	Sep	-75.5	-76.9	-71.3
Wednesday	US	18:00	MBA Mortgage Applications	Sep 8		—	-2.9%
<i>13 – Sep</i>	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%
<i>14 – Sep</i>	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
<i>15 – Sep</i>	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

Published on Investing.com, 13/Sep/2023 - 1:43:07 GMT, Powered by TradingView.
United States 10-Year, United States, NYSE:US10YT=X, D



Indonesia 10 Years Treasury

Published on Investing.com, 13/Sep/2023 - 1:47:09 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

Member of Indonesia Stock Exchange

JAKARTA (HEADQUARTER):

District 8 Treasury Tower 51st 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

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