

# Morning Brief

Daily | October 9, 2023

## Today's Outlook:

**US MARKETS:** The economy added an impressive 336,000 jobs in September, almost double the anticipated figure. However, unemployment remained unchanged at 3.8%, and hourly wages saw a meager increase of just 0.2%, marking the slowest annual growth in eighteen months. This robust nonfarm payrolls report triggered a fresh wave of selling in the US bond market. As a result, both the 10-year and 30-year Treasury yields increased by 5 basis points. The former reached an intraday high of 5.21%, while the latter touched its highest level since September 20, 2007. Despite the unexpected job growth, concerns about sluggish wage increases persist. The minimal wage growth could potentially impact consumer spending and inflation, key factors that the Federal Reserve considers when setting interest rates.

Market watchers have been weighing whether the Fed may be done hiking interest rates after a recent surge in long-term U.S. Treasury yields. Benchmark 10-year U.S. Treasury yields hit 16-year highs on Friday. The day's data also showed a moderation in wages, which may have been because most of the jobs added last month were in lower-paying industries.

**Important Data:** Investors await data on September consumer price inflation and producer price index readings, due next week.

**COMMODITIES (Oil Price Decline):** Oil prices fell by 9% to 11% in the previous week, marking the most significant weekly decline since March. The decline was due to high US Treasury yields and a stronger US dollar, as well as lower gasoline consumption.

**Geopolitical Impact:** The Israel-Hamas conflict has the potential to impact oil prices, although the exact magnitude is unknown. Attention is focused on Iran, which is linked to Hamas and is a significant oil producer. If Israel responds to Hamas with actions against Iran, this could affect the oil market.

## Corporate News

**Lontar Papyrus to Issue IDR 1.8 Trillion Bonds on IDX** Starting this Monday (9/10/2023), the Shelf Registration Bonds II Lontar Papyrus Pulp & Paper Industry Phase II Year 2023 (Bonds) issued by PT Lontar Papyrus Pulp & Paper Industry will be listed on the Indonesia Stock Exchange (IDX). The bonds to be listed with a nominal value of IDR 1.8 Trillion consist of three series, as stated in the official statement in the IDX Information Disclosure, namely Series A (LPPI02ACN2) with a nominal value of IDR 85,740,000,000 interest rate of 6.50% per annum, a period of 370 calendar days from the date of issuance. Then, Series B (LPPI02BCN2) with a nominal value of IDR 1,483,070,000,000 interest rate of 10.50% per annum, a period of 3 years from the date of issuance, and Series C (LPPI02CCN2) with a nominal value of IDR 231,190,000,000 interest rate of 11.00% per annum, a period of 5 years from the date of issuance. Meanwhile, according to the rating results of PT Pemeringkat Efek Indonesia (Pefindo) for the Bonds is idA (Single A). (IDX Channel)

## Domestic Issue

**ORI024 Begins Offering Today, Coupon 6.1-6.3%** The Ministry of Finance has decided that the ORI024 series of Retail Government Bonds will be offered with a coupon of 6.10% and 6.3% per year, and will be issued in three and six-year tenors. The offering period is opened starting Monday (9/10/2023). In detail, the ORI024 offering period will begin on October 9-November 2, 2023. The determination date takes place on November 6, settlement on November 8, and listing on the stock exchange is scheduled for November 9. ORI024 will be issued in two tenors, namely ORI024T3 or ORI024 with a 3-year tenor which has a maturity date of October 15, 2026. Meanwhile, ORI024T6 or ORI024 with a 6-year tenor will mature on October 15, 2029. Director of Government Securities at the Directorate General of Financing and Risk Management (DJPPR) Deni Ridwan said the issuance of the ORI024 series in two tenors is expected to provide alternative investment instruments for the public according to their preferences and investment objectives. (Bisnis)

## Recommendation

**US10YT has not been able to move on from the upper channel support, where it was detected that the Low began to slightly test the MA10 Support at a yield of 4.697%.** ADVISE: Wait & See, whether this first Support holds or not. Need to consider being ready to reduce positions (gradually). US10YT yield will continue to move up if it has successfully passed the Resistance yield of 4.80% and 4.884%; towards the TARGET yield: 5.0% - 5.05%.

**ID10YT started to move down towards the nearest Support, MA10 at yield 6.95%; after indications of a potential trend reversal from the Dark Cloud candle in the Resistance area.** ADVISE: SELL ON STRENGTH (Gradually), continue to reduce the position especially if it breaks MA10 support.

## 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)	134.90	137.10	Current Acc (USD bn)	-1.90	3.00
Trd Balance (USD bn)	3.12	1.31	Govt. Spending Yoy	10.62%	3.99%
Exports Yoy	-21.21%	-18.03%	FDI (USD bn)	4.86	5.14
Imports Yoy	-14.77%	-8.32%	Business Confidence	104.82	105.33
Inflation Yoy	2.28%	3.27%	Cons. Confidence*	125.20	125.20

## PRICE OF BENCHMARK SERIES

FR0090 : 95.45 (+0.04%)  
FR0091 : 96.02 (+0.03%)  
FR0093 : 94.33 (+0.06%)  
FR0092 : **99.21 (-0.48%)**

FR0086 : **97.63 (-0.08%)**  
FR0087 : 96.87 (+0.12%)  
FR0083 : **102.40 (-0.10%)**  
FR0088 : 93.78 (+0.02%)

## CDS of Indonesia Bonds

CDS 2yr: **-2.90%** to 45.49

CDS 5yr: **-0.57%** to 99.53

CDS 10yr: **-2.44%** to 166.80

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.01%	-0.03%
USDIDR	15,610	-0.03%
KRWIDR	11.57	0.01%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,407.58	288.01	0.87%
S&P 500	4,308.50	50.31	1.18%
FTSE 100	7,494.58	43.04	0.58%
DAX	15,229.77	159.55	1.06%
Nikkei	30,994.67	(80.69)	-0.26%
Hang Seng	17,485.98	272.11	1.58%
Shanghai	3,110.48	3.16	0.10%
Kospi	2,408.73	5.13	0.21%
EIDO	21.99	0.08	0.37%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,833.0	12.7	0.70%
Crude Oil (\$/bbl)	82.79	0.48	0.58%
Coal (\$/ton)	138.50	(0.50)	-0.36%
Nickel LME (\$/MT)	18,582	92.0	0.50%
Tin LME (\$/MT)	24,644	505.0	2.09%
CPO (MYR/Ton)	3,600	(7.0)	-0.19%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 9 – Oct.	CH	—	Money Supply M2 YoY	Sep		10.6%	10.6%
	ID	—	Consumer Confidence Index	Sep		—	125.2
	GE	13:00	Industrial Production SA MoM	Aug		—	-0.8%
<b>Tuesday</b> 10 – Oct.	JP	06:50	BoP Current Account Balance	Aug		¥ 3,090.9 B	¥ 2,771.7 B
	US	21:00	Wholesale Inventories MoM	Aug F		—	-0.1%
<b>Wednesday</b> 11 – Oct.	US	18:00	MBA Mortgage Applications	Oct 6		—	-6.0%
	US	19:30	PPI Final Demand MoM	Sep		0.3%	0.7%
	GE	13:00	CPI MoM	Sep F		0.3%	0.3%
	GE	13:00	CPI YoY	Sep F		4.5%	4.5%
<b>Thursday</b> 12 – Oct.	US	19:30	CPI MoM	Sep		0.3%	0.6%
	US	19:30	CPI YoY	Sep		3.6%	3.7%
	US	19:30	Initial Jobless Claims	Oct 7		—	207K
	JP	06:50	PPI YoY	Sep		2.4%	3.2%
	JP	06:50	Core Machine Orders MoM	Aug		0.4%	-1.1%
<b>Friday</b> 13 – Oct.	US	21:00	U. of Mich. Sentiment	Oct P		67.5	68.1
	CH	08:30	CPI YoY	Sep		0.2%	0.1%
	CH	08:30	PPI YoY	Sep		-2.4%	-3.0%
	CH	—	Trade Balance	Sep		\$73.7 B	\$68.2 B
	KR	06:00	Unemployment Rate SA	Sep		2.6%	2.4%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

Published on Investing.com, 9 Oct 2023 - 1:40:32 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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