

# Morning Brief

Daily | October 16, 2023

## Today's Outlook:

- **Federal Reserve Bank of Philadelphia President Patrick Harker said that he believes the central bank is likely done with its interest rate hike cycle as price pressures have eased.**
- **Investors also monitored news from the Middle East. On Friday, Israel said it had carried out an attack inside the Gaza Strip, the first announcement of a ground operation aimed at Hamas fighters after their deadly assault on Israel.** The United Nations said Israel's call for Gaza civilians to leave Gaza was not possible "without devastating humanitarian consequences."
- **US Treasury prices rose as investors sought safe positions while US crude oil prices rose 5.8%.**
- **Today, Indonesia will release Trade Balance (Sept.) figures which is predicted to be a surplus of USD2.13 billion, down from the previous month's USD3.12 billion.** The main thing is to see if the negative growth in Exports & Imports can start to ease.

## Corporate News

**XL Axiata (EXCL) Repays IDR 280 Billion Bonds** PT XL Axiata Tbk (EXCL) will pay off two bonds maturing on October 16, 2023 with a total value of IDR 280 billion. The two bonds are XL Axiata Sustainable Bonds I Phase I Year 2018 Series C and XL Axiata Sustainable Sukuk Ijarah II Phase I Year 2018 Series C. XL Axiata Corporate Secretary Ranty Astari Rachman in an official statement to the Indonesia Stock Exchange quoted on Sunday (15/10/2023) revealed, the company will pay off the principal of the 2018 Phase I Bonds Series C and 2018 Phase I Sukuk Series C, along with coupons and profit sharing of the bonds. EXCL will also pay off the principal of Series C bonds worth IDR 131 billion and a coupon of IDR 3.14 billion. Not only that, the telecommunications issuer will also pay off the principal of sukuk ijarah Series C worth IDR 149 billion. At the same time, the company also paid an ijarah fee for the Series C sukuk of IDR 3.57 billion. (Investor Id)

## Domestic Issue

**A Week Offered, ORI024 Sold IDR 3.47 Trillion** Sales of ORI024 series Retail State Bonds sold up to IDR 3.47 trillion from both series during the week offered until Sunday, (15/10/2023). The Ministry of Finance's Directorate General of Financing and Risk Management (DJPPR) set a sales target of IDR 5 trillion each from both ORI024 series. Based on data from distribution partner Investree, Sunday, (15/10/2023) at 10.30 WIB, ORI024 series T3 or 3-year tenor has sold IDR 2.72 trillion, from the issuance target of IDR 5 trillion. That means, ORI024 T3 has sold 54.45% of the target. Meanwhile, ORI024 T6 series or 6-year tenor has sold as much as IDR 747.78 billion from the sales target of IDR 5 trillion. As a result, until now ORI024 T6 has only sold 14.96% of the target. Thus, the tendency of investors in the country is more dominant to hunt for short tenor ORI024 during the seven-day offering period. (Bisnis)

## Recommendation

**US10YT is stuck between the MA20 Support & MA10 Resistance, in a narrow range of yields: 4.635% - 4.671%.** Watch the breakout direction before making a decision. Support follows: lower channel (uptrend) around 4.57%.

**ID10YT is looking for solid support around the 50% Fibonacci retracement in the range of : 6.748% - 6.695%.** While the nearest Resistance is the MA20 and MA10 range at a yield of: 6.886% - 6.931%. ADVISE: Hold; Wait & See.

## 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*	121.70	125.20

## PRICE OF BENCHMARK SERIES

FRO090	: 95.61 (+0.03%)
FRO091	: 97.22 (+0.27%)
FRO094	: <b>95.89 (-0.01%)</b>
FRO092	: 100.53 (+0.51%)
FRO086	: <b>97.77 (-0.06%)</b>
FRO087	: 98.24 (+0.55%)
FRO083	: 103.56 (+0.15%)
FRO088	: <b>94.04 (-0.04%)</b>

## CDS of Indonesia Bonds

CDS 2yr:	+1.96% to 44.75
CDS 5yr:	+1.97% to 95.70
CDS 10yr:	+1.24% to 164.30

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.79%	-0.10%
USDIDR	15,683	-0.04%
KRWIDR	11.62	-0.98%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,670.29	39.15	0.12%
S&P 500	4,327.78	(21.83)	-0.50%
FTSE 100	7,599.60	(45.18)	-0.59%
DAX	15,186.66	(238.37)	-1.55%
Nikkei	32,315.99	(178.67)	-0.55%
Hang Seng	17,813.45	(424.76)	-2.33%
Shanghai	3,088.10	(19.80)	-0.64%
Kospi	2,456.15	(23.67)	-0.95%
EIDO	21.73	0.01	0.05%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,932.8	63.9	3.42%
Crude Oil (\$/bbl)	87.69	4.78	5.77%
Coal (\$/ton)	143.85	1.20	0.84%
Nickel LME (\$/MT)	18,546	(182.0)	-0.97%
Tin LME (\$/MT)	25,087	275.0	1.11%
CPO (MYR/Ton)	3,737	99.0	2.72%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	US	19:30	Empire Manufacturing	Oct		-5.0	1.9
<i>16 – Oct.</i>	ID	11:00	Trade Balance	Sep		\$2,349M	\$3,120M
	ID	11:00	Exports YoY	Sep		-13.80%	-21.21%
	ID	11:00	Imports YoY	Sep		-5.50%	-14.77%
	JP	11:30	Industrial Production MoM	Aug F		—	0.0%
<b>Tuesday</b>	US	19:30	Retail Sales Advance MoM	Sep		0.3%	0.6%
<i>17 – Oct.</i>	US	20:15	Industrial Production MoM	Sep		-0.1%	0.4%
	JP	11:30	Tertiary Industry Index MoM	Aug		0.2%	0.9%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Oct 13		—	0.6%
<i>18 – Oct.</i>	US	19:30	Housing Starts	Sep		1,393K	1,283K
	CH	09:00	GDP YoY	3Q		4.5%	6.3%
	CH	09:00	Industrial Production YoY	Sep		4.3%	4.5%
	CH	09:00	Retail Sales YoY	Sep		4.8%	4.6%
<b>Thursday</b>	US	19:30	Initial Jobless Claims	Oct 14		—	209K
<i>19 – Oct.</i>	US	21:00	Existing Home Sales	Sep		3.90M	4.04M
	US	21:00	Leading Index	Sep		-0.4%	-0.4%
	ID	14:20	Bank Indonesia 7D Reverse Repo	Oct 19		5.75%	5.75%
	KR	—	BOK Base Rate	Oct 19		3.50%	3.50%
<b>Friday</b>	US	20:00	Bloomberg Oct. US Economic Survey				
<i>20 – Oct.</i>	JP	06:30	Natl CPI YoY	Sep		3.0%	3.2%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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