

Morning Brief

Daily | October 16, 2023

Today's Outlook:

US MARKETS: Market participants appeared to be taking more positions in risky assets, with safe-haven Gold and Oil prices down, while monitoring the Israeli war in Gaza, which is still heating up, with high death toll, including many women and children, after efforts to arrange a cease-fire stalled. Philadelphia Fed President Patrick Harker repeated his statement on monetary policy that the central bank may be nearing the end of the interest rate uptrend cycle. The US Dollar and US Treasuries retreated in order following these comments. After yesterday's Empire State Index explained that the general manufacturing business conditions in New York state tend to worsen. Today, more US economic data will be released such as Retail Sales (Sept.), Industrial & Manufacturing Production (Sept.), and Business & Retail Inventories Ex-Auto for August.

ASIA MARKETS: Japan released its Industrial Production (Aug.) which fell short of expectations and remained in negative territory at -0.7% although this was an improvement from the previous month's -1.8%. Indonesia reported a much larger decline in Imports than the decline in Exports in September, causing the Trade Balance (Sept.) figure to post another successful surplus for the 41st consecutive month at USD3.42 billion, managing to be higher than forecast & previous month.

EUROPE MARKETS: Speaking of Trade Balance, the Eurozone bagged its 3rd consecutive month of surplus at EUR6.7 billion in August, higher than July's position at EUR6.3 billion. This afternoon, the UK will release a number of economic data related to employment and Wage growth. In the afternoon, Germany and the Eurozone will publish the ZEW Current Conditions & Economic Sentiment for October.

Corporate News

Summarecon Issues IDR 900 Billion Bonds, Offering Interest of up to 8% Property issuer, PT Summarecon Agung Tbk (SMRA) is carrying out an ongoing public offering of sustainable bonds IV with a target fund to be raised worth IDR 3 trillion. These bonds are offered in two series. First, series A with the amount of series A bonds offered amounting to IDR 468 billion with bond interest of 7.35% per year. The bond term is three years. Bond payments are done in full from the principal of series A bonds on the maturity date. Second, series B bonds with a principal value offered of IDR 432 billion, with an interest rate of 8% per annum. The bond term is five years. Bond payments are made in a full amount of 100% of the series B bond principal on the maturity date. The proceeds from the bond public offering, after deducting issuance costs, will be used approximately 85% to increase the company's equity participation in PT Summarecon Property Development (SMPD). Furthermore, it will be used by SMPD to increase its equity participation in PT Serpong Cipta Cahaya (SPCC). (Katadata)

Domestic Issue

Government Auctions 7 Series of SUNs Today, Offering Coupons of 6.37% to 7.12% The government, through the Directorate General of Financing and Risk Management of the Ministry of Finance (DJPPR Kemenkeu), conducted an auction of 7 series of Government Bonds (SUN) on Tuesday (17/10/2023) with coupons offered ranging from 6.37% to 7.12%. Meanwhile, the Ministry of Finance set a maximum target of IDR 28.5 trillion, while the indicative target is IDR 19 trillion, in order to meet some of the 2023 State Budget financing targets. The auction opens at 09.00 WIB and closes at 11.00 WIB, while the settlement date is on Thursday, (19/10/2023). Based on the announcement on the official website of the Ministry of Finance's DJPPR, there are two types of SUN that will be auctioned today, namely State Treasury Notes (SPN) of two series and State Bonds (ON) of five series. In detail, the SPN series to be auctioned are SPN03240117 (New Issuance) which matures on January 17, 2024 and SPN12241017 (New Issuance) which matures on October 17, 2024. Both have a discount coupon rate with a maximum non-competitive purchase allocation of 50 percent of the winning amount. Meanwhile, there are five series of state bonds offered, namely FR0095, FR0100, FR0098, FR0097, and FR0089. (Bisnis)

Recommendation

US10YT returned above MA10 & MA20 Support continuing the Uptrend within the PARALLEL CHANNEL pattern. ADVISE: Average Up accordingly. TARGET / next resistance: previous High level at yield 4.884% or upper channel around 5.0%.

ID10YT yield is proven to rebound at support around 50% Fibonacci retracement in the range of: 6.748% - 6.695%. Currently heading for the nearest Resistance, namely the MA20 and MA10 ranges, in the yield range: 6.886% - 6.933% to try to climb the Uptrend again. 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)	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

FR0090 : 95.61 (+0.00%)
FR0091 : 97.15 (-0.07%)
FR0094 : 95.89 (+0.00%)
FR0092 : 100.53 (+0.00%)

FR0086 : 97.78 (+0.01%)
FR0087 : 98.15 (-0.09%)
FR0083 : 103.79 (+0.22%)
FR0088 : 94.05 (+0.00%)

CDS of Indonesia Bonds

CDS 2yr: -1.12% to 44.25

CDS 5yr: +0.31% to 96.00

CDS 10yr: -0.90% to 162.83

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.77%	-0.01%
USDIDR	15,720	0.24%
KRWIDR	11.61	-0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,984.54	314.25	0.93%
S&P 500	4,373.63	45.85	1.06%
FTSE 100	7,630.63	31.03	0.41%
DAX	15,237.99	51.33	0.34%
Nikkei	31,659.03	(656.96)	-2.03%
Hang Seng	17,640.36	(173.09)	-0.97%
Shanghai	3,073.81	(14.29)	-0.46%
Kospi	2,436.24	(19.91)	-0.81%
EIDO	21.77	0.04	0.18%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,920.2	(12.6)	-0.65%
Crude Oil (\$/bbl)	86.66	(1.03)	-1.17%
Coal (\$/ton)	143.75	(0.10)	-0.07%
Nickel LME (\$/MT)	18,602	56.0	0.30%
Tin LME (\$/MT)	25,242	155.0	0.62%
CPO (MYR/Ton)	3,780	21.0	0.56%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	19:30	Empire Manufacturing	Oct	-4.6	-5.0	1.9
16 – Oct.	ID	11:00	Trade Balance	Sep	\$3,420M	\$2,349M	\$3,120M
	ID	11:00	Exports YoY	Sep	-16.17%	-13.80%	-21.21%
	ID	11:00	Imports YoY	Sep	-12.45%	-5.50%	-14.77%
	JP	11:30	Industrial Production MoM	Aug F	-0.7%	—	0.0%
	Tuesday	US	19:30	Retail Sales Advance MoM	Sep		0.3%
17 – Oct.	US	20:15	Industrial Production MoM	Sep		-0.1%	0.4%
	JP	11:30	Tertiary Industry Index MoM	Aug		0.2%	0.9%
Wednesday	US	18:00	MBA Mortgage Applications	Oct 13		—	0.6%
18 – Oct.	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%
Thursday	US	19:30	Initial Jobless Claims	Oct 14		—	209K
19 – Oct.	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%
	Friday	US	20:00	Bloomberg Oct. US Economic Survey			
20 – Oct.	JP	06:30	Natl CPI YoY	Sep		3.0%	3.2%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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