

Morning Brief

Daily | October 24, 2023

Today's Outlook:

US MARKETS: Analysts also argue that a soft landing has been reached, where the Fed managed to tame inflation faster than the pace of economic slowdown. Geopolitical conflicts also continue to be closely monitored by market participants, who are anxiously watching the potential expansion of the Israel - Hamas war. In this regard, world crude oil prices fell 3%, with the Brent (London) benchmark oil price returning below the psychological level of USD90/barrel, as diplomatic efforts to end the Middle East conflict increased, which had initially pushed oil prices up 10% over the past 2 weeks. After US President Joe Biden visited Israel last week, the leaders of France and the Netherlands will visit the region in an effort to find the best solution. Inevitably, this sentiment made the Energy sector plunge with the largest percentage decline of the 11 sectors in the S&P500 index. A number of PMI data will dominate global markets, where the US will also report the S&P Global Composite PMI (Oct.) along with the Manufacture and Services sectors tonight.

ASIA MARKETS: early this morning South Korea began a series of global economic data, where they reported PPI (Sept.) grew 1.3% yoy from the previous month's 1.0%; although on a monthly basis, growth slowed to 0.4% mom from August's 0.9%. Japanese PMI and Bank of Japan Core Inflation data will next be awaited, where it is expected that manufacturing business activity in Japan could increase slightly, although Core Inflation remains subdued.

EUROPEAN MARKETS: More macroeconomic data coming from continental Europe today, including the UK to report a number of important data related to employment and wage growth, as well as the Composite PMI. Germany follows with the GfK German Consumer Climate report for November as well as PMI data (Oct.). The Eurozone will also be awaiting a number of PMI data as ECB President Christine Lagarde is scheduled to speak later this evening at around 7.30 pm GMT to provide market direction and monetary policy.

INDONESIA MARKETS: The Rupiah exchange rate position remain stagnant despite last week's unexpected 25 bps BI7DRR hike to 6.0%. The market participants is getting anxious as the Rupiah is approaching IDR16,000/USD.

Corporate News

Adira Finance (ADMF) Offers IDR 1.55T Bonds PT Adira Dinamika Multi Finance Tbk (Adira Finance) or (ADMF) will issue bonds with a total value of IDR 1.55 trillion, consisting of bonds worth IDR 1.25 trillion and Sukuk Mudharabah worth IDR 300 billion. In the prospectus published on Monday (23/10), it was stated that the IDR 1.25 trillion bonds were part of the ongoing public offering VI with a target fund raised of IDR 9 trillion, consisting of Series A IDR 834.39 billion with bond interest of 6.15% per year and a tenor of 370 Calendar Days starting from the Issue Date. Furthermore, Series B amounting to IDR 385.23 billion with an interest rate of 6.50% per annum and a tenor of 36 months, and Series C amounting to IDR 30.37 billion with an interest rate of 6.55% per annum and a tenor of 60 from the Issue Date. (Emiten News)

Domestic Issue

Bond Funding on the IDX Hits IDR 105.13 Trillion The Indonesia Stock Exchange (IDX) recorded that the collection of funds from the issuance of bonds reached IDR 105.13 trillion as of October 20, 2023. This figure comes from 56 issuers of bonds and sukuk (EBUS) with a total of 95 registered emissions. The bond funds collected increased by 7.05 percent compared to the previous weekend of IDR 98.20 trillion. As many listed companies choose funding through bond or sukuk issuance, this figure has the opportunity to get bigger. This is because there are dozens of issuers in the queue. Of these, the financial sector dominates the pipeline as many as 5 companies, followed by 2 issuers from the energy sector. Furthermore, there is 1 issuer each represented by the basic materials, non-cyclical consumer, and property-real estate sectors. (iNews)

Recommendation

US10YT seemed reluctant to continue the pace of yield increase after hitting the upper channel resistance right after entering the psychological level of 5.0%. Thanks to the leading indicator RSI negative divergence that has been detected recently, ADVISE: Prepare to Sell on Strength; currently US10YT is testing the nearest yield Support at: 4.834%.

ID10YT yield flew high to 7.367% (highest point since November 2022), even now breaking the upper channel resistance - short-term bullish is getting stronger as seen from the steepening VELOCITY. ADVISE : let your profit run, but it's better to set your Trailing Stop as RSI negative divergence is faithfully looming. Next Target: 7.676%. = Highest yield in 3 years.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	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 : 94.17 (-0.21%)

FR0091 : 94.43 (-0.50%)

FR0094 : 95.58 (-0.26%)

FR0092 : 97.75 (-1.47%)

FR0086 : 96.59 (-0.42%)

FR0087 : 95.15 (-0.83%)

FR0083 : 102.52 (+0.09%)

FR0088 : 91.63 (-0.45%)

CDS of Indonesia Bonds

CDS 2yr: -0.47% to 47.77

CDS 5yr: +0.63% to 103.02

CDS 10yr: -0.43% to 171.71

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.10%	0.22%
USDIDR	15,935	0.38%
KRWIDR	11.77	0.32%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,936.41	(190.87)	-0.58%
S&P 500	4,217.04	(7.12)	-0.17%
FTSE 100	7,374.83	(27.31)	-0.37%
DAX	14,800.72	2.25	0.02%
Nikkei	30,999.55	(259.81)	-0.83%
Hang Seng	17,172.13	(123.76)	-0.72%
Shanghai	2,939.29	(43.77)	-1.47%
Kospi	2,357.02	(17.98)	-0.76%
EIDO	20.65	(0.27)	-1.29%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,972.9	(8.6)	-0.43%
Crude Oil (\$/bbl)	85.49	(2.59)	-2.94%
Coal (\$/ton)	138.35	0.35	0.25%
Nickel LME (\$/MT)	18,177	(411.0)	-2.21%
Tin LME (\$/MT)	24,890	(95.0)	-0.38%
CPO (MYR/Ton)	3,753	(18.0)	-0.48%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 23 – Oct.	US	19:30	Chicago Fed Nat Activity Index	Sep	0.02	-\$166.0B	-\$429.8B
	KR	07:00	Imports 20 Days YoY	Oct	0.6%	—	-1.5%
	KR	07:00	Exports 20 Days YoY	Oct	4.6%	—	9.8%
Tuesday 24 – Oct.	US	20:45	S&P Global US Manufacturing PMI	Oct P		49.5	49.8
	GE	14:30	HCOB Germany Manufacturing PMI	Oct P		—	39.6
	KR	04:00	PPI YoY	Sep		—	1.0%
	JP	07:30	Jibun Bank Japan PMI Mfg	Oct P		—	48.5
Wednesday 25 – Oct.	US	18:00	MBA Mortgage Applications	Oct 20		—	-6.9%
	US	21:00	New Home Sales	Sep		684K	675K
Thursday 26 – Oct.	US	19:30	GDP Annualized QoQ	3Q A		4.3%	2.1%
	US	19:30	Durable Goods Orders	Sep P		1.1%	0.1%
	US	19:30	Initial Jobless Claims	Oct 21		—	198K
	KR	06:00	GDP YoY	3Q A		1.1%	0.9%
Friday 27 – Oct.	US	19:30	Personal Income	Sep		0.4%	0.4%
	US	19:30	Personal Spending	Sep		0.4%	0.4%
	US	21:00	U. of Mich. Sentiment	Oct F		63.2	63.0
	JP	06:30	Tokyo CPI Ex-Fresh Food YoY	Oct		2.5%	2.5%

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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