

# Morning Brief

Daily | November 13, 2023

## Today's Outlook:

**US MARKET: Treasury yields calmed and investors looked ahead to a next week's reports on inflation and other economic data.** Investors have been focused on benchmark Treasury yields, which have eased somewhat from 16-year highs, and monetary policy as they assess whether the Fed might be done raising rates to control inflation and when the central bank could start cutting rates.

**US ECONOMIC DATA: Investors are awaiting Tuesday's U.S. consumer price data for October, for an update on the Fed's progress in its battle to keep lowering inflation from last year's multi-decade highs.** Inflation is expected to have risen 0.1% on a monthly basis. September's CPI rose 0.4% on a surprise surge in rental costs, but also showed a moderation in underlying inflation pressures. A sharper cooling could fan the peak rate talk, fuelled by October's employment report, which pointed to easing conditions in the labor market. The U.S. is also to release producer price data along with retail sales numbers for October, which are expected to dip into negative territory after a string of solid monthly gains. Other data due for release includes reports on industrial production, housing starts and initial jobless claims.

## Corporate News

**Issuing IDR 4.09 Trillion Bonds - Indah Kiat Offers Interest of Up to 10.75%** Strengthen liquidity to fund its business expansion, PT Indah Kiat Pulp & Paper Tbk (INKP) plans to issue bonds worth a total of IDR 4.09 trillion in mid-November 2023. One of the bonds consists of sustainable bonds IV phase III-2023 worth IDR 3 trillion. It is stated that the bonds are part of the issuance of sustainable bonds IV totaling IDR 12 trillion. Sustainable bonds IV phase III-2023 worth IDR 3 trillion will be divided into three series, namely series A worth IDR 16.34 billion with a tenor of 370 days with an interest rate of 6.75% per year. Meanwhile, series B amounting to IDR 672.41 billion has a three-year tenor with an interest rate of 10.25%, and series C amounting to IDR 409.4 billion has a five-year tenor with an interest rate of 10.75%. The remaining principal amount of Sustainable Bonds IV Phase III-2023 of up to IDR 1.9 trillion will be guaranteed on a best effort basis. (Neraca)

## Domestic Issue

**Since the Beginning of 2023, Bonds and Sukuk on the IDX Reached IDR 110 Trillion** The Indonesia Stock Exchange (IDX) noted that since the beginning of 2023 up to now or the second week of November, the number of bonds and sukuk on the IDX amounted to IDR 110.45 trillion from 56 issuers totaling 99 emissions. "The IDX received the listing of one bond and one sukuk, namely Sustainable Bond VI Phase II 2023 and Sustainable Mudharabah Sukuk V Phase II 2023 issued by PT Adira Dinamika Multi Finance Tbk (ADMF), the emission value of each debt security is IDR 1.25 trillion and IDR 300 billion," said IDX data, quoted from Investor Daily, Sunday (12/11/2023). With the listing of Adira's debt securities, the total bonds and sukuk on the IDX reached 536 emissions from 127 issuers, with an outstanding value of IDR 457.71 trillion and USD 69.05 million. The number of state securities (SBN) listed on the IDX is 191 series, with a value of IDR 5.53 trillion and USD 486.11 million. Meanwhile, asset-backed securities (EBA) amounted to nine emissions worth IDR 2.84 trillion. (Berita Satu)

## Recommendation

**US10YT has attempted to perch back above the MA10 & MA50 levels, yet it hasn't removed the threat of dropping to the bottom target of 4.309%, the result of the PARALLEL CHANNEL - the uptrend that has been broken.** If the US Treasury yield is still able to crawl up then the MA20 / 4.761% Resistance is the next destination. ADVISE: SELL ON STRENGTH.

**ID10YT is believed to still be on a downward movement towards the bottom target yield of 6.465%, the result of the PARALLEL CHANNEL - the uptrend that has been broken.** The nearest resistance of MA50 & MA10 combined will block the first door around 6.854% - 6.875%. Even if the level is able to be broken, there will be another MA20 obstacle as well as lower channel resistance around 6.97%. ADVISE: SELL ON STRENGTH.

## Indonesia Macroeconomic Data

| Monthly Indicators     | Last    | Prev.   | Quarterly Indicators | Last   | Prev.  |
|------------------------|---------|---------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 6.00%   | 5.75%   | Real GDP             | 4.94%  | 5.17%  |
| FX Reserve (USD bn)    | 133.10  | 134.90  | Current Acc (USD bn) | -1.90  | 3.00   |
| Trd Balance (USD bn)   | 3.42    | 3.12    | Govt. Spending Yoy   | -3.76% | 10.62% |
| Exports Yoy            | -16.17% | -21.21% | FDI (USD bn)         | 4.86   | 5.14   |
| Imports Yoy            | -12.45% | -14.77% | Business Confidence  | 104.30 | 105.33 |
| Inflation Yoy          | 2.56%   | 2.28%   | Cons. Confidence*    | 124.70 | 121.70 |

## PRICE OF BENCHMARK SERIES

|        |                   |
|--------|-------------------|
| FR0090 | : 95.41 (-0.18%)  |
| FR0091 | : 96.66 (+0.04%)  |
| FR0094 | : 95.00 (+0.00%)  |
| FR0092 | : 100.69 (-0.28%) |
| FR0086 | : 97.19 (-0.18%)  |
| FR0087 | : 96.96 (-0.63%)  |
| FR0083 | : 104.18 (-0.14%) |
| FR0088 | : 94.97 (-0.28%)  |

## CDS of Indonesia Bonds

|          |                    |
|----------|--------------------|
| CDS 2yr  | : -0.30% to 39.66  |
| CDS 5yr  | : +1.34% to 86.78  |
| CDS 10yr | : -0.58% to 150.95 |

## Government Bond Yields & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 6.85%  | 0.08%  |
| USDIDR         | 15,695 | 0.26%  |
| KRWIDR         | 11.92  | -0.28% |

## Global Indices

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 34,283.10 | 391.16   | 1.15%  |
| S&P 500   | 4,415.24  | 67.89    | 1.56%  |
| FTSE 100  | 7,360.55  | (95.12)  | -1.28% |
| DAX       | 15,234.39 | (118.15) | -0.77% |
| Nikkei    | 32,568.11 | (78.35)  | -0.24% |
| Hang Seng | 17,203.26 | (308.03) | -1.76% |
| Shanghai  | 3,038.97  | (14.31)  | -0.47% |
| Kospi     | 2,409.66  | (17.42)  | -0.72% |
| EIDO      | 20.97     | (0.07)   | -0.33% |

## Commodities

| Commodity          | Last    | Chg.    | %      |
|--------------------|---------|---------|--------|
| Gold (\$/troy oz.) | 1,940.2 | (18.4)  | -0.94% |
| Crude Oil (\$/bbl) | 77.17   | 1.43    | 1.89%  |
| Coal (\$/ton)      | 123.25  | 0.25    | 0.20%  |
| Nickel LME (\$/MT) | 17,257  | (556.0) | -3.12% |
| Tin LME (\$/MT)    | 24,603  | (236.0) | -0.95% |
| CPO (MYR/Ton)      | 3,802   | 59.0    | 1.58%  |

| Date             | Country | Hour Jakarta | Event                        | Period | Actual | Consensus | Previous |
|------------------|---------|--------------|------------------------------|--------|--------|-----------|----------|
| <b>Monday</b>    | JP      | 06:50        | PPI YoY                      | Oct    |        | 1.0%      | 2.0%     |
| 13 – Nov.        | JP      | 06:50        | PPI MoM                      | Oct    |        | 0.0%      | -0.3%    |
| <b>Tuesday</b>   | US      | 20:30        | CPI YoY                      | Oct    |        | 3.3%      | 3.7%     |
| 14 – Nov.        | GE      | 17:00        | ZEW Survey Expectations      | Nov    |        | 2.5       | -1.1     |
|                  | GE      | 17:00        | ZEW Survey Current Situation | Nov    |        | 76.0      | 79.9     |
| <b>Wednesday</b> | US      | 20:30        | Retail Sales Advance MoM     | Oct    |        | -0.3%     | 0.7%     |
| 15 – Nov.        | US      | 20:30        | PPI Final Demand MoM         | Oct    |        | 0.1%      | 0.5%     |
|                  | US      | 20:30        | Empire Manufacturing         | Oct    |        | -2.1%     | -4.6%    |
|                  | CH      | 09:00        | Industrial Production YoY    | Oct    |        | 4.6%      | 4.5%     |
|                  | CH      | 09:00        | Retail Sales YoY             | Oct    |        | 7.0%      | 5.5%     |
|                  | ID      | 11:00        | Trade Balance                | Oct    |        | \$3,295M  | \$3,418M |
|                  | ID      | 11:00        | Exports YoY                  | Oct    |        | 18.76%    | 16.17%   |
|                  | ID      | 11:00        | Imports YoY                  | Oct    |        | -7.80%    | -12.45%  |
|                  | KR      | 06:00        | Unemployment Rate SA         | Oct    |        | —         | 2.6%     |
|                  | JP      | 06:50        | GDP Annualized SA QoQ        | 3Q     |        | 0.4%      | 4.8%     |
|                  | JP      | 11:30        | Industrial Production MoM    | Sep F  |        | —         | 0.2%     |
| <b>Thursday</b>  | US      | 20:30        | Initial Jobless Claims       | Nov 11 |        | —         | 217K     |
| 16 – Nov.        | US      | 21:15        | Industrial Production MoM    | Oct    |        | -0.4%     | 0.3%     |
|                  | JP      | 06:50        | Trade Balance                | Oct    |        |           |          |
| <b>Friday</b>    | US      | 20:30        | Housing Starts               | Oct    |        | 1,350K    | 1,358K   |
| 17 – Nov.        | —       | —            | —                            | —      |        |           |          |

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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