

Morning Brief

Daily | November 17, 2023

Today's Outlook:

US MARKETS: Initial Jobless Claims were released at 231k, higher than the forecast of 220k jobless claims last week. Meanwhile, the Philadelphia Manufacturing Index, which measures business conditions in Philadelphia, is still in contractionary territory despite improving slightly above forecasts. Both of the above data raised concerns of an economic slowdown situation, just at a time when the Fed is expected to keep interest rates high for some time. As if to echo those thoughts, Industrial Production (Oct) also extended its contraction and was the lowest negative growth in 4 months. Tonight at around 20:30 GMT, the Building Permits and Housing Starts (Oct) data will be awaited, which will assess the health of the US property sector.

COMMODITIES: Energy stocks fell more than 2% as Crude Oil prices plunged below USD73/barrel triggered by demand concerns. Chinese refineries processed less Oil in October than the previous month, raising questions whether the demand outlook from the world's largest Oil importer is weakening, as the global economic slowdown also weighs on the upside potential of Crude Oil prices. Oil prices slumped nearly 5% to their lowest point in 4 months, dragging Brent down to USD 77.42/barrel, while WTI dropped to USD 72.90/barrel. Speaking of supply-demand, OPEC and the International Energy Agency (IEA) have both predicted that inventories will get tighter in the 4th quarter of this year, but at the same time data from the US shows that their stockpiles are abundant; making Crude Oil prices lose its competitiveness.

EUROPEAN MARKETS: Several economic data will be awaited from the European continent; starting from the UK, which this afternoon will release Retail Sales growth (Oct.), followed by important macroeconomic data from the Eurozone, CPI (Oct.) where the Inflation rate is expected to soften to 2.9% yoy, from 4.3% in the previous month.

Corporate News

Refinancing, Tower Bersama (TBIG) Offers IDR 1.51 Trillion Bonds Tower Bersama Infrastructure (TBIG) will offer bonds worth IDR 1.51 trillion. The bonds are part of the sustainable bonds phase VI totaling IDR 20 trillion. The bonds are offered with a fixed interest rate of 6.75% per annum, and a term of 370 calendar days from the date of issuance. All bond proceeds, after deducting issuance costs, will be loaned USD 62.16 million or the equivalent of IDX 975.8 billion to Tower Bersama (TB) for the repayment of all principal loans. Then, the remaining maximum of USD 34 million equivalent to IDR 533.8 billion to Solu Sindo Kreasi Pratama (SKP) for partial payment of loan principal. (Emiten News)

Domestic Issue

Driven by Election Sentiment, Corporate Bond Issuance is Projected to be Vibrant Next Year Corporate bond issuance activity is predicted to be more vibrant in 2024. The general election (election) season is considered to encourage companies to issue bonds. Head of the Economic Research Division of PT Pemeringkat Efek Indonesia (Pefindo) Suhindarto said that the issuance of corporate bonds next year will be more crowded than in 2023. This is in line with the number of corporate bonds that will mature in 2024. Based on Pefindo data as of the end of October, the maturity value of debt securities in 2024 amounted to IDR 146.12 trillion. This amount is much higher than this year 2023 which only amounted to IDR 126.89 trillion and the second highest after the second after 2022 which reached IDR 155.19 trillion. Darto estimates that there will be higher refinancing needs in 2024. This is in line with the value of debt securities maturing next year which is greater than this year. Corporations are also more willing to issue debt securities because the economy is moved by various activities related to the simultaneous elections. Not only the Presidential election, next year there are also regional head elections in many provinces, "So this will encourage economic activity to remain solid. Companies need additional funding to respond to increased demand," added Darto. (Kontan)

Recommendation

US10YT is testing the previous low support around 4.44% yield in order to fulfill the bottom target around 4.31% yield. ADVISE: reduce position. The nearest resistance is MA10 at 4.55% yield.

ID10YT is expected to test the support from the previous low level around 6.70% yield, in order to go down to 6.465% yield. ADVISE: reduce position. The 3-layer Moving Average resistance prevents the yield from rising within the 6.80% - 6.97% range.

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)	3.48	3.42	Govt. Spending Yoy	-3.76%	10.62%
Exports Yoy	-10.43%	-16.17%	FDI (USD bn)	4.86	5.14
Imports Yoy	-2.42%	-12.45%	Business Confidence	104.30	105.33
Inflation Yoy	2.56%	2.28%	Cons. Confidence*	124.70	121.70

PRICE OF BENCHMARK SERIES

FR0090 : 95.96 (+0.24%)
FR0091 : 97.45 (+1.08%)
FR0094 : **94.98 (-0.03%)**
FR0092 : 101.06 (+0.46%)

FR0086 : **97.42 (-0.02%)**
FR0087 : 98.13 (+0.50%)
FR0083 : 104.82 (+0.27%)
FR0088 : 95.24 (+0.16%)

CDS of Indonesia Bonds

CDS 2yr: +0.12% to 36.37

CDS 5yr: +0.33% to 77.82

CDS 10yr: +0.05% to 140.88

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.95%	0.00%
USDIDR	15,545	0.06%
KRWIDR	11.99	0.42%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,945.47	(45.74)	-0.13%
S&P 500	4,508.24	5.36	0.12%
FTSE 100	7,410.97	(75.94)	-1.01%
DAX	15,786.61	38.44	0.24%
Nikkei	33,424.41	(95.29)	-0.28%
Hang Seng	17,832.82	(246.18)	-1.36%
Shanghai	3,050.93	(21.91)	-0.71%
Kospi	2,488.18	1.51	0.06%
EIDO	21.60	(0.02)	-0.09%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,980.9	21.1	1.07%
Crude Oil (\$/bbl)	72.90	(3.76)	-4.90%
Coal (\$/ton)	123.10	(0.15)	-0.12%
Nickel LME (\$/MT)	17,020	(401.0)	-2.30%
Tin LME (\$/MT)	25,193	(133.0)	-0.53%
CPO (MYR/Ton)	3,998	(20.0)	-0.50%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JP	06:50	PPI YoY	Oct	0.8%	1.0%	2.0%
13 – Nov.	JP	06:50	PPI MoM	Oct	-0.4%	0.0%	-0.3%
Tuesday	US	20:30	CPI YoY	Oct	3.2%	3.3%	3.7%
14 – Nov.	GE	17:00	ZEW Survey Expectations	Nov	9.8	2.5	-1.1
	GE	17:00	ZEW Survey Current Situation	Nov	-79.8	76.0	79.9
Wednesday	US	20:30	Retail Sales Advance MoM	Oct	-0.1%	-0.3%	0.7%
15 – Nov.	US	20:30	PPI Final Demand MoM	Oct	-0.5%	0.1%	0.5%
	US	20:30	Empire Manufacturing	Oct	9.1%	-2.1%	-4.6%
	CH	09:00	Industrial Production YoY	Oct	4.6%	4.6%	4.5%
	CH	09:00	Retail Sales YoY	Oct	7.6%	7.0%	5.5%
	ID	11:00	Trade Balance	Oct	\$3,480M	\$3,295M	\$3,418M
	ID	11:00	Exports YoY	Oct	-10.43%	18.76%	16.17%
	ID	11:00	Imports YoY	Oct	-2.42%	-7.80%	-12.45%
	KR	06:00	Unemployment Rate SA	Oct	2.5%	—	2.6%
	JP	06:50	GDP Annualized SA QoQ	3Q	-2.1%	0.4%	4.8%
	JP	11:30	Industrial Production MoM	Sep F	0.5%	—	0.2%
Thursday	US	20:30	Initial Jobless Claims	Nov 11	231K	—	217K
16 – Nov.	US	21:15	Industrial Production MoM	Oct	-0.6%	-0.4%	0.3%
	JP	06:50	Trade Balance	Oct	-662.5B		
Friday	US	20:30	Housing Starts	Oct		1,350K	1,358K
17 – Nov.	—	—	—	—			

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

Published on Investing.com, 17/Nov/2023 - 1:02:32 GMT. Powered by TradingView.
United States 10-Year, United States, NYSE:US10YT=X, D



Indonesia 10 Years Treasury

Published on Investing.com, 17/Nov/2023 - 1:13:35 GMT. Powered by TradingView.
Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



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

Analyst

Axell Ebenhaezer

Mining, Property

T +62 21 5088 ext 9133

E Axell.Ebenhaezer@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

Telp : +62 411 360 4650

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