

# Morning Brief

Daily | November 22, 2023

## Today's Outlook:

**US MARKETS:** The most dominating sentiment was the release of the last Federal Reserve Meeting Minutes, where policymakers were still inclined to keep interest rates high for a longer period of time. Fed officials are still taking a fairly cautious approach to monetary policy until they get clear evidence that Inflation has indeed been successfully suppressed. The absence of any hint of a rate cut also adds to the uncertainty of the Fed's interest rate trend ending, although market participants are calculating the chances of a larger rate cut being realized at the US central bank's May 2024 meeting. The US reported lower-than-expected Existing Home Sales (Oct.) at 3.79 million (vs. forecast of 3.9 million units) so on a monthly basis existing home sales for November fell -4.1% mom. Tonight will see the weekly Durable Goods Orders (Oct.) and Initial Jobless Claims data; as well as the Univ. of Michigan's economic outlook on Inflation and consumer expectations for business over the next 6 months.

**COMMODITIES:** Oil Prices fell on Tuesday, giving back earlier gains as traders were cautious ahead of the OPEC+ meeting at the weekend. Weekly inventory reports from the American Petroleum Institute (API) and the Energy Information Administration (EIA) are due out on Tuesday and Wednesday.

**INDONESIA MARKETS:** Bank Indonesia reported that the Current Account for the third quarter of 2023 was in deficit. Indonesia recorded a Current Account deficit of USD860 million (0.2% of GDP) in the third quarter of 2023, down from a surplus of USD4.63 billion in the same period a year earlier. This was the second consecutive quarter of Current Account deficit, as the trade surplus narrowed sharply to USD10.27 billion in Q3 of 2023 from USD17.62 billion in the same period of 2022, amid moderating commodity prices. In the first three quarters of 2023, the Current Account recorded a deficit of USD100 million, reversing from a surplus of USD9.13 billion in the same period of 2022.

## Corporate News

**PLN Prepares IDR 759 Billion to Pay Off Bonds and Sukuk Ijarah in 2013** PT PLN (Persero) stated that it has prepared funds amounting to IDR 759 billion in order to pay off the principal of bonds and sustainable Sukuk Ijarah I Phase II Year 2013 Series B which will mature on November 15, 2023. PLN Corporate Secretary, Alois Wisnuwardhana, in a written statement on Monday (20/11) said that PLN prepared funds of IDR 651 billion to pay off the Bonds and IDR 108 billion to pay off the remaining Sustainable Skuk Ijarah I Phase II 2013 Series B. Furthermore, Alois explained that the Bond Principal and the remaining Sukuk Ijarah rewards will be paid to PT Kustodian Sentral Efek Indonesia (KSEI) as Paying Agent in accordance with the provisions no later than the maturity date. Alois added that the repayment of the bonds and sukuk Ijarah has no impact on PLN's operational activities, legal, financial condition, or business continuity. (Emiten News)

## Domestic Issue

**ST011 Hunted by Investors, Sales Predicted to Reach IDR 15 Trillion** The ST011 series of Savings Sukuk is being hunted by investors, so the Ministry of Finance's DJPPR has again increased the ST011 booking quota to IDR 13 trillion. Until the end of the order period on December 6, 2023, ST011 sales are predicted to reach IDR 15 trillion, if the government continues to increase the quota. Based on data from one of Investree's distribution partners as of Tuesday, (21/11/2023) at 14.15 WIB, ST011-T2 has sold IDR 7.9 trillion or 93.02% of the target. Due to high investor interest, the ST011-T2 order target was raised to IDR 8.5 trillion. Furthermore, ST011-T4 Savings Sukuk has sold IDR 3.71 trillion or 82.59% of the target. The ST011-T4 quota was also increased, from the previous IDR 4 trillion to IDR 4.5 trillion. Thus, the two series of ST011 have sold a total of IDR 11.62 trillion. (Bisnis)

## Recommendation

**US10YT is expected to continue to drop until the target bottom at 4.309% yield; the result of the PARALLEL CHANNEL uptrend pattern that has been broken.** Support from previous low level that will be tested soon: 4.381% yield. Nearest Resistance: MA10 or 4.505% yield. ADVISE: reduce position.

**ID10YT is still under pressure in order to reach the target bottom at 6.465% yield; the result of the broken uptrend PARALLEL CHANNEL pattern.** Support from previous low level to be tested: 6.61% yield. Nearest Resistance: MA10 or 6.759% yield. ADVISE: reduce position.

## 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)	-0.90	-1.90
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	104.82	104.30
Inflation Yoy	2.56%	2.28%	Cons. Confidence*	124.30	124.70

## PRICE OF BENCHMARK SERIES

FR0090 : 95.97 (+0.00%)  
FR0091 : 98.16 (+0.37%)  
FR0094 : 95.09 (+0.12%)  
FR0092 : 103.50 (+0.29%)

FR0086 : 97.71 (+0.18%)  
FR0087 : 98.71 (-0.13%)  
FR0083 : 105.88 (+0.21%)  
FR0088 : 96.82 (+0.82%)

## CDS of Indonesia Bonds

CDS 2yr: +1.95% to 34.83  
CDS 5yr: +0.88% to 74.50  
CDS 10yr: +1.63% to 136.15

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.66%	-0.01%
USDIDR	15,440	-0.03%
KRWIDR	11.98	0.17%

## Global Indices

Index	Last	Chg.	%
Dow Jones	35,088.29	(62.75)	-0.18%
S&P 500	4,538.19	(9.19)	-0.20%
FTSE 100	7,481.99	(14.37)	-0.19%
DAX	15,900.53	(0.80)	-0.01%
Nikkei	33,354.14	(33.89)	-0.10%
Hang Seng	17,733.89	(44.18)	-0.25%
Shanghai	3,067.93	(0.39)	-0.01%
Kospi	2,510.42	19.22	0.77%
EIDO	21.42	(0.31)	-1.43%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,998.3	20.2	1.02%
Crude Oil (\$/bbl)	77.77	(0.06)	-0.08%
Coal (\$/ton)	122.30	(0.20)	-0.16%
Nickel LME (\$/MT)	16,995	43.0	+0.25%
Tin LME (\$/MT)	24,878	26.0	+0.10%
CPO (MYR/Ton)	3,953	19.0	0.48%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	US	22:00	Leading Index	Oct	-0.8%	-0.6%	-0.7%
20 – Nov.	JP	12:00	Tokyo Condominium for Sale YoY	Oct	-46.3%	—	4.1%
<b>Tuesday</b>	US	22:00	Existing Home Sales	Oct	3.79M	3.90M	3.96M
21 – Nov.	ID	10:00	BoP Current Account Balance	3Q	-\$900M	-\$1,269M	-\$1,900M
	KR	04:00	PPI YoY	Oct	0.8%	—	1.3%
<b>Wednesday</b>	US	20:30	Initial Jobless Claims	Nov 18	—	—	231K
22 – Nov.	US	20:30	Durable Goods Orders	Oct P	—	-3.1%	4.6%
	US	22:00	U. of Mich. Sentiment	Nov F	—	60.5	60.4
<b>Thursday</b>	ID	14:20	Bank Indonesia 7D Reverse Repo	Nov 23	—	6.00%	6.00%
23 – Nov.	GE	15:30	HCOB Germany Manufacturing PMI	Nov P	—	—	40.8
<b>Friday</b>	US	21:45	S&P Global US Manufacturing PMI	Nov P	—	49.8	50.0
24 – Nov.	JP	06:30	Natl CPI YoY	Oct	—	3.4%	3.0%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

Published on Investing.com, 21 Nov 2023 - 23:32:14 GMT, Powered by TradingView.  
United States 10-Year, United States, NYSE:US10YT=X, D



## Indonesia 10 Years Treasury

Published on Investing.com, 21 Nov 2023 - 23:33:18 GMT, Powered by TradingView.  
Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



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