

Morning Brief

Daily | November 24, 2023

Today's Outlook:

US MARKETS: U.S. traders were eyeing their Thanksgiving meals rather than dealing, while in Asia overnight the focus had been signs of more help coming for China's long-suffering property market.

ASIA MARKETS: Meanwhile, in Asia overnight the focus had been signs of more help coming for China's long-suffering property market. Chinese government advisers will recommend to an annual policymakers' meeting that economic growth targets for next year be set at 4.5% to 5.5%, Reuters had reported on Wednesday.

EUROPE MARKETS: For traders, the next thing was the minutes of the European Central Bank's most recent meeting that showed cautious optimism about their inflation fighting efforts. Turkey's central bank also flashed its recently reacquired inflation-fighting credentials by raising its policy rates by another punchy 500 basis points (bps) to 40% having been just 8.5% in early June before the reelection of President Tayyip Erdogan.

Slightly stronger than expected German, French and UK PMI data nudged the euro, sterling and bond yields higher. Germany's 10-year bond, the benchmark for Europe, was set to close around 5 bps higher on the day at 2.62% having touched 3% last month. Ten-year U.S. Treasuries are now at 4.4% compared with their October peak of 5%.

The euro's bounce pushed the dollar index back down towards a 2,5 month low having moved away from it on Wednesday after the number of Americans filing new claims for unemployment benefits fell more than expected.

COMMODITIES: In commodity markets, news that OPEC+ had postponed a weekend meeting sent both Brent and U.S. WTI down as much 2% to \$80.70 and \$76.03 per barrel respectively on expectations it might see the group cut output less than anticipated.

Corporate News

Pefindo Affirms idA Rating for Boy Thohir's Issuer Bonds (PALM) Rating agency, Pefindo assigned an idA rating to the planned issuance of Sustainable Bonds II of PT Provident Investasi Bersama Tbk (PALM), with a maximum value of IDR 5 trillion. Pefindo also affirmed the company's idA rating and the Sustainable Bonds I which are still not due. The outlook for the company's rating is stable. "The ratings reflect PALM's strong investment portfolio credit quality, conservative financial policies, and strong liquidity indicators. However, the rating is limited by a concentrated investment portfolio and a very low portion of recurring income," Pefindo explained in its official statement, Jakarta, Thursday (23/11). (IDX Channel)

Domestic Issue

ST011 Sales Reach IDR12.60 Trillion Retail investors continue to hunt for the ST011 series Savings Sukuk, which can be seen in the sales that have reached IDR 12.63 trillion on Thursday afternoon (23/11/2023) at 11:20 WIB. The ST011 issuance quota at the same period of time has amounted to IDR 14 trillion, an increase of IDR 6 trillion from the initial ST011 issuance quota. As of Thursday afternoon (23/11/2023) at 11.20 WIB, the order value of ST011 with a 2-year tenor or ST011T2 has reached IDR 8.63 trillion. Meanwhile, for ST011 with a tenor of 4 years or ST011T4's order value has reached IDR 3.99 trillion. Therefore, the remaining quota of ST011 issuance for 2-year tenor or ST011T2 is recorded at IDR 875.55 billion and the remaining quota for 4-year ST011 or ST011T4 is recorded at IDR 503.80 billion. (Bareksa)

Recommendation

US10YT has attempted a technical rebound but still hit the nearest resistance, which is MA10 at 4.465% yield. US10YT in fact carries limited downside potential, just short of reaching the target bottom at 4.309% yield. ADVISE: HOLD; wait for solid bottoming.

ID10YT has yet to find solid support to end this downtrend towards the bottom target at 6.465% yield. Any technical rebound is expected to hit the nearest Resistance which is MA10 / yield 6.739%. ADVISE: HOLD; wait for solid bottoming.

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	: 95.89 (-0.17%)
FR0091	: 97.99 (-0.06%)
FR0094	: 94.99 (+0.00%)
FR0092	: 103.19 (-0.20%)
FR0086	: 97.71 (+0.06%)
FR0087	: 98.66 (+0.02%)
FR0083	: 105.79 (+0.19%)
FR0088	: 96.83 (-0.05%)

CDS of Indonesia Bonds

CDS 2yr	: -11.06% to 31.63
CDS 5yr	: -2.06% to 74.72
CDS 10yr	: -3.74% to 133.10

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.65%	-0.01%
USDIDR	15,555	-0.13%
KRWIDR	11.99	0.10%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,273.03	184.74	0.53%
S&P 500	4,556.62	18.43	0.41%
FTSE 100	7,483.58	14.07	0.19%
DAX	15,994.73	36.91	0.23%
Nikkei	33,451.83	97.69	0.29%
Hang Seng	17,910.84	176.24	0.99%
Shanghai	3,061.86	18.25	0.60%
Kospi	2,514.96	3.26	0.13%
EIDO	21.27	(0.15)	-0.70%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,992.3	2.1	0.10%
Crude Oil (\$/bbl)	76.35	(0.75)	-0.97%
Coal (\$/ton)	122.15	0.00	0.00%
Nickel LME (\$/MT)	16,603	168.0	1.02%
Tin LME (\$/MT)	24,663	(328.0)	-1.31%
CPO (MYR/Ton)	3,951	(37.0)	-0.93%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	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%
Tuesday	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%
Wednesday	US	20:30	Initial Jobless Claims	Nov 18	209k	—	231K
22 – Nov.	US	20:30	Durable Goods Orders	Oct P	-5.4%	-3.1%	4.6%
	US	22:00	U. of Mich. Sentiment	Nov F	61.0	60.5	60.4
Thursday	ID	14:20	Bank Indonesia 7D Reverse Repo	Nov 23	6.00%	6.00%	6.00%
23 – Nov.	GE	15:30	HCOB Germany Manufacturing PMI	Nov P	42.3	—	40.8
Friday	US	21:45	S&P Global US Manufacturing PMI	Nov P	49.8	49.8	50.0
24 – Nov.	JP	06:30	Natl CPI YoY	Oct	3.4%	3.4%	3.0%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

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Indonesia 10 Years Treasury

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