

Morning Brief

Daily | November 28, 2023

Today's Outlook:

US MARKETS: The U.S. dollar slid against most major currencies, weighed down by expectations that the Federal Reserve is done cutting interest rates and could start cutting them by the first half of next year.

In U.S. Treasuries, benchmark 10-year notes fell steadily during the day and were last down 9.9 basis points to 4.385%, from 4.484% late on Friday. Investors were also looking ahead to Thursday's release of the Fed's preferred measure of inflation or PCE index and euro zone consumer inflation figures, to potentially give markets direction.

Meanwhile, the latest economic data showed that Building Permits were slightly above expectations, while New Home Sales aka new family home sales in the US fell more than expected in October, likely as higher mortgage rates reduced affordability, but the housing segment remains supported by a shortage of previously owned properties on the market.

EUROPE MARKETS: From Europe, European Central Bank President Christine Lagarde said the European Central Bank's fight to contain price growth was not yet done as wage growth was still strong and the outlook was uncertain, but she did point to easing euro zone inflation pressure.

ASIA MARKETS: Indonesia recorded money supply growth of 3.4% YoY in Oct, compared to 6% in the previous month. Japan will soon announce Bank Of Japan Core CPI which is expected to stabilize at 3.4% YoY.

COMMODITIES: Oil prices also fell, with the Brent settling under \$80 a barrel, as investors awaited this week's OPEC+ meeting and expected curbs on supplies into 2024. In precious metals, gold hit a six-month high with a boost from the softer dollar and expectations of a pause in the Fed's monetary policy.

Corporate News

Professional Investors, Check out the Detailed Schedule of IIF Perpetual Bond with 7.25%-8.25% Yield PT Indonesia Infrastructure Finance (IIF) officially started the public offering of Indonesia Infrastructure Finance's Environmental Securities in 2023. The securities offered are perpetual type. In the prospectus published on Bisnis Indonesia yesterday, Monday (27/11/2023), IIF Perpetual Bond is offered in a maximum amount of IDR 500 billion. These bonds offer a fixed yield of 7.25%-8.25%. "The return on Perpetual Securities is paid every semester (6 months) from the date of issuance," the announcement reads. In the issuance of this perpetual bond, IIF received an AA rating by PT Pemeringkat Efek Indonesia (Pefindo). (Bisnis)

Domestic Issue

Sri Mulyani Reduces Debt Drawdown, to IDR 203.6 Trillion as of October 2023 The Ministry of Finance noted that the realization of financing through debt issuance reached IDR 203.6 trillion until October 2023. Finance Minister Sri Mulyani Indrawati said that the realization was much lower than the initial target of IDR 696.3 trillion. Compared to the realization as of October 2022 which reached IDR 507.3 trillion, the realization of debt financing this year is also much lower, or has decreased by 59.9%. If detailed, Sri Mulyani said that the realization of SBN issuance until October 2023 had only reached IDR 185.4 trillion, from the APBN target of IDR 712.9 trillion. Meanwhile, in terms of foreign loans, the realization until October 2023 was recorded at IDR 18.2 trillion, up 159.7% from last year's realization of IDR 7.0 trillion. She said that government debt management until October 2023 will continue to be well-maintained and carried out prudently, especially in anticipation of the phenomenon of higher for longer, where global benchmark interest rates are expected to remain high for a longer period of time. (Bisnis)

Recommendation

US10YT is on an undeniable downtrend, unable to pass MA20 Resistance at a 4.512% yield and has now turned around to break below MA10 Support / 4.439% yield. ADVISE: HOLD, wait for yield bottoming first; BUY ON WEAKNESS.

ID10YT closing slightly above MA10 Resistance, making 6.712% yield as the closest Support at the moment. It is considered that the technical rebound is still limited, but it has not eliminated the threat of further decline towards the bottom target of 6.465% yield; a number of Moving Average Resistance is blocking the yield from 6.783% to 6.886% then continued the previous High level at a yield of 6.95%-7.0%. 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 (+0.00%)
FR0091 : 97.89 (-0.13%)
FR0094 : 94.91 (+0.00%)
FR0092 : 102.76 (+1.76%)

FR0086 : 97.61 (-0.09%)
FR0087 : 98.27 (-0.28%)
FR0083 : 105.82 (-0.01%)
FR0088 : 95.67 (+0.00%)

CDS of Indonesia Bonds

CDS 2yr: +0.74% to 31.96

CDS 5yr: +0.62% to 75.34

CDS 10yr: +0.36% to 133.79

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.74%	0.08%
USDIDR	15,495	-0.45%
KRWIDR	11.88	-0.29%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,333.47	(56.68)	-0.16%
S&P 500	4,550.43	(8.91)	-0.20%
FTSE 100	7,460.70	(27.50)	-0.37%
DAX	15,966.37	(63.12)	-0.39%
Nikkei	33,447.67	(177.86)	-0.53%
Hang Seng	17,525.06	(34.36)	-0.20%
Shanghai	3,031.70	(9.27)	-0.31%
Kospi	2,495.66	(0.97)	-0.04%
EIDO	21.70	0.10	0.46%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,014.1	13.3	0.67%
Crude Oil (\$/bbl)	74.86	(0.68)	-0.90%
Coal (\$/ton)	127.50	5.50	4.51%
Nickel LME (\$/MT)	16,071	(67.0)	-0.42%
Tin LME (\$/MT)	23,884	(592.0)	-2.42%
CPO (MYR/Ton)	3,891	1.0	0.03%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	22:00	New Home Sales	Oct	679K	723K	759K
27 – Nov.	JP	13:00	PPI Services YoY	Oct	2.3%	—	2.1%
Tuesday	US	22:00	Conf. Board Consumer Confidence	Nov		101.0	102.6
28 – Nov.	EC	16:00	M3 Money Supply YoY	Oct		—	-1.2%
Wednesday	US	20:30	GDP Annualized QoQ	3Q S		5.0%	4.9%
29 – Nov.	GE	20:00	CPI YoY	Nov P		—	3.8%
Thursday	US	20:30	Initial Jobless Claims	Nov 25		—	209K
30 – Nov.	US	20:30	Personal Income	Oct		0.2%	0.3%
	US	20:30	Personal Spending	Oct		0.2%	0.7%
	CH	08:30	Manufacturing PMI	Nov		—	49.5
	GE	15:55	Unemployment Change (000's)	Nov		—	30.0K
Friday	US	21:45	S&P Global US Manufacturing PMI	Nov F		—	—
1 – Dec.	CH	08:45	Caixin China PMI Mfg	Nov		—	49.5
	ID	07:30	S&P Global Indonesia PMI Mfg	Nov		—	51.5
	ID	09:00	CPI YoY	Nov		—	2.56%
	GE	15:55	HCOB Germany Manufacturing PMI	Nov F		—	42.3
	EC	16:00	HCOB Eurozone Manufacturing PMI	Nov F		—	43.8
	KR	07:00	Trade Balance	Nov		—	\$1,627M

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

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United States 10 Year, United States, NYSE:US10YT=X, D

MA(10, close, 0)
MA(20, close, 0)
MA(50, close, 0)



Indonesia 10 Years Treasury

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MA(10, close, 0)
MA(20, close, 0)
MA(50, close, 0)



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