

# Morning Brief

Daily | January 12, 2024

## Today's Outlook:

**US MARKETS:** Economic data showed US consumer price inflation came in above economists' expectations in December, raising doubts that the Federal Reserve will cut interest rates as quickly as the market expects. US Treasury yields fell, while the US Dollar weakened against the Euro and Yen but rebounded from the lows reached before this US CPI report was released. Today's data showed the headline CPI rose 0.3% last month, with an annualized increase of 3.4%, both higher than initial estimates of 0.2% and 3.2% respectively. Nevertheless, analysts believe that this actual figure is not a bad result; they still believe that the Fed will still cut rates, though perhaps not as soon as March. Following the data, Initial Jobless Claims also surprised with a lower-than-expected actual figure of 202,000 jobless claims in the week ending Jan 5, compared to 210,000 forecast and 203,000 in the previous week. In overall, all the above data suggests the US economy remains strong and likely to avoid recession.

**THE DOLLAR INDEX** was last down 0.05% today at 102.29, although this position is actually slightly up from 102.20 before the data was released. The euro rose 0.09% today to USD 1.09820. The greenback's gains narrowed slightly to 0.20% at 145.48 Yen, after reaching 146.10, the highest since December 11. The latest 10-year US TREASURY YIELD fell 4.9 basis points (bps) to 3.980%. BITCOIN reached USD 49,051, the highest since December 2021, and was last up 1.80% at \$46,800. The US SEC on Wednesday night gave the green light to offer a bitcoin-based ETF. Investors' focus will soon turn to the announcement of producer-level inflation (US PPI) figures which are also forecast to rise in December by 1.3% yoy, as well as the start of the US earnings season, with banking giants including JPMorgan Chase and Wells Fargo scheduled to report on Friday.

**ASIA MARKETS:** It's China's turn to be in the spotlight this morning, as they will release their CPI (Dec) figures which are expected to struggle out of deflationary territory, in order to improve their economy. Following that, it is also important to monitor China's Trade Balance figures in Dec, regarding their Export & Import growth.

**EUROPEAN MARKETS:** Later this afternoon, UK market participants will find out how healthy the improvement in their Industrial & Manufacturing Production conditions in November, which is predicted to grow positively.

**COMMODITIES:** OIL rose nearly 1% in Thursday trading after Iran seized an Iraqi-owned oil tanker bound for Turkey off the coast of Oman, believed to be retaliation to the US for last year's seizure of the same vessel and cargo. The Yemen-based Houthi militants have stepped up their largest-ever attack on the Red Sea's commercial shipping lanes; thus further raising the prospect of widespread conflict in the Middle East area. As such, Brent futures rose 0.8%, to USD 77.41 per barrel, while US West Texas Intermediate (WTI) crude rose 0.9%, to USD 72.02. Global trade fell 1.3% from November to December 2023 as militant actions against merchant ships in the Red Sea led to a decline in the volume of cargo transported in the region. Barclays lowered its Brent Oil price forecast for 2024 by USD 8 to USD 85/barrel considering the following factors: sluggish global demand along with chaos in the Middle East; causing producers, consumers, and market participants to become paranoid about oil prices.

**GOLD prices in the spot market** added 0.1% to USD 2,024.69 per ounce.

## Corporate News

**Delta Dunia (DOID) Subsidiary Finalizes IDR 636.6 Billion Bond Issuance** PT Delta Dunia Makmur Tbk's (DOID) subsidiary, PT Bukit Makmur Mandiri Utama (BUMA), completed the issuance and listing of BUMA Bonds I Year 2023 on the Indonesia Stock Exchange (IDX), with a value of IDR 636.6 billion. The bonds are divided into three series, namely Series A amounting to IDR 422.91 billion with a fixed interest rate of 8.45% per annum with a period of 370 calendar days with full payment at maturity date. Series B amounting to IDR 200.57 billion with a fixed interest rate of 9.10% per annum with a period of 3 years with full payment at maturity date. Lastly, Series C amounting to IDR 13.14 billion with a fixed interest rate of 9.7% per annum with a period of 5 years with full payment at maturity date. PT Mandiri Sekuritas and PT Sucor Sekuritas have been appointed as the Underwriter. (Investor Daily)

## Domestic Issue

**Early 2024, the Government Plans to Draw IDR 36 T of New Debt** The government through the Directorate General of Financing and Risk Management of the Ministry of Finance will issue Rupiah-denominated Government Bonds (SUN) early this year. The plan is carried out to fulfill part of the financing target in the 2024 State Budget. "To meet part of the financing target in the 2024 State Budget," quoted from the Ministry of Finance's DJPPR press release, Thursday, (11/1/2024). The auction is carried out based on Minister of Finance Regulation Number 168 / PMK.08 / 2019 concerning the Auction of Government Securities in the Domestic Primary Market. DJPPR said the auction would be held on Tuesday, January 16, 2024, starting at 09.00 WIB and ending at 11.00 WIB. The set settlement date is Thursday, January 18, 2024. In this issuance, DJPPR set an indicative target of IDR 24 trillion. While the maximum target is set at IDR 36 trillion. The SUN issued consists of 7 types. Two of them are Government Treasury Notes (SPN) and 5 types of Fixed Rate SUN with tenors of 5 years to 30 years. (CNBC Indonesia)

## Recommendation

**US10YT seems hesitant to continue its bullish wave** even though US CPI figures proved to be stronger than expected, with expectations that the Fed will still cut rates this year although perhaps not as quickly as in March. In order to continue its upward swing, US10YT first needs to break back above the MA10/3.98% yield, and perch above the 4.066% yield for targets around 4.18% or 4.258% yield to be reached. ADVISE: BUY ON WEAKNESS; Average Up accordingly.

**ID10YT seems to be testing the upper wedge support around 6.63% yield** after being somewhat stopped on its way up at the resistance of the previous high level of 6.75%. ADVISE: BUY ON WEAKNESS; Average Up above 6.66% and 6.75% yield.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.47 (+0.22%)  
FR0091 : 98.16 (+0.01%)  
FR0094 : 95.69 (+0.26%)  
FR0092 : 102.70 (-0.03%)

FR0086 : 98.17 (+0.02%)  
FR0087 : 99.07 (+0.19%)  
FR0083 : 106.70 (+0.02%)  
FR0088 : 96.46 (+0.20%)

## CDS of Indonesia Bonds

CDS 2yr: +0.17% to 31.66

CDS 5yr: -2.43% to 73.41

CDS 10yr: +0.28% to 131.81

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.70%	-0.02%
USDIDR	15,549	-0.13%
KRWIDR	11.84	0.44%

## Global Indices

Index	Last	Chg.	%
Dow Jones	37,711.02	15.29	0.04%
S&P 500	4,780.24	(3.21)	-0.07%
FTSE 100	7,576.59	(75.17)	-0.98%
DAX	16,547.03	(142.78)	-0.86%
Nikkei	35,049.86	608.14	1.77%
Hang Seng	16,302.04	204.76	1.27%
Shanghai	2,886.65	8.95	0.31%
Kospi	2,540.27	(1.71)	-0.07%
EIDO	22.39	0.07	0.31%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,028.9	4.5	0.22%
Crude Oil (\$/bbl)	72.02	0.65	0.91%
Coal (\$/ton)	130.75	(2.75)	-2.06%
Nickel LME (\$/MT)	16,420	(9.0)	-0.05%
Tin LME (\$/MT)	24,554	119.0	0.49%
CPO (MYR/Ton)	3,794	37.0	0.98%

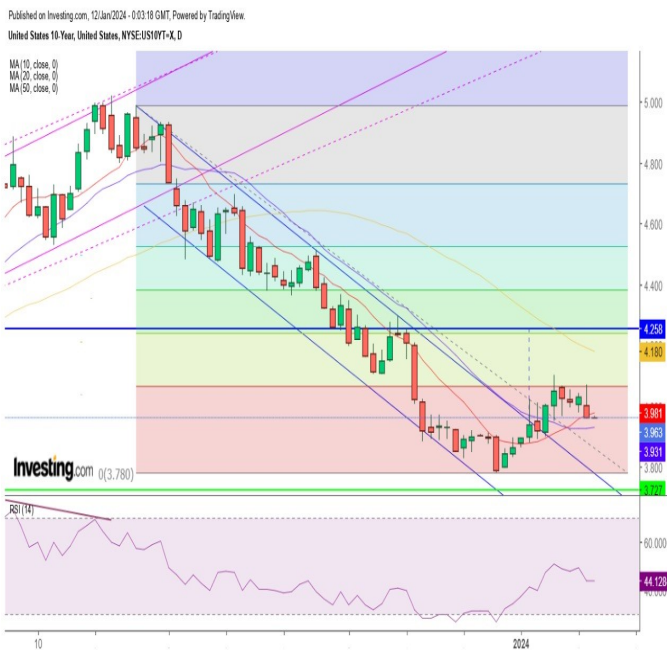
## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	4.94%	5.17%
FX Reserve (USD bn)	146.40	138.10	Current Acc (USD bn)	-0.90	-1.90
Trd Balance (USD bn)	2.41	3.48	Govt. Spending Yoy	-3.76%	10.62%
Exports Yoy	-8.56%	-10.43%	FDI (USD bn)	4.86	5.14
Imports Yoy	3.29%	-2.42%	Business Confidence	104.82	104.30
Inflation Yoy	2.61%	2.86%	Cons. Confidence*	123.80	123.60

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 8 – Jan.	ID	10:00	Foreign Reserves	Dec	\$146.40B	—	\$138.10B
	GE	14:00	Factory Orders MoM	Nov	0.3%	—	-3.7%
	EC	17:00	Consumer Confidence	Dec F	-15.0	—	-15.1
<b>Tuesday</b> 9 – Jan.	US	20:30	Trade Balance	Nov	-\$63.2B	-\$64.8B	-\$64.3B
	ID	—	Consumer Confidence Index	Dec	123.8	—	123.6
	GE	14:00	Industrial Production SA MoM	Nov	-0.7%	—	-0.4%
	EC	17:00	Unemployment Rate	Nov	6.4%	—	6.5%
	KR	06:00	BoP Current Account Balance	Nov	\$4059.7M	—	\$6796.1M
	JP	06:30	Tokyo CPI YoY	Dec	2.4%	2.5%	2.6%
<b>Wednesday</b> 10 – Jan.	US	22:00	Wholesale Inventories MoM	Nov F	-0.2%	-0.2%	-0.2%
	KR	06:00	Unemployment Rate SA	Dec	3.3%	—	2.8%
<b>Thursday</b> 11 – Jan.	US	20:30	CPI MoM	Dec	0.3%	0.2%	0.1%
	US	20:30	CPI YoY	Dec	3.4%	3.2%	3.1%
	US	20:30	Initial Jobless Claims	Jan 6	202K	210K	202K
	KR	—	BOK Base Rate	Jan 11	3.50%	3.50%	3.50%
<b>Friday</b> 12 – Jan.	US	20:30	PPI Final Demand MoM	Dec	—	0.2%	0.0%
	CH	08:30	CPI YoY	Dec	—	-0.3%	-0.5%
	CH	08:30	PPI YoY	Dec	—	-2.7%	-3.0%
	CH	—	Exports YoY	Dec	—	1.6%	0.5%
	CH	—	Imports YoY	Dec	—	0.0%	-0.6%
	CH	—	Trade Balance	Dec	—	\$76.00B	\$68.40B
	JP	06:50	BoP Current Account Balance	Nov	—	¥ 2385.1B	¥ 2582.8B

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



## Research Division

### Head of Research

**Liza Camelia Suryanata**

Equity Strategy, Macroeconomics,  
Technical  
T +62 21 5088 ext 9134

### Analyst

**Axell Ebenhaezer**

Mining, Property  
T +62 21 5088 ext 9133  
E Axell.Ebenhaezer@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

### 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

### JAKARTA (HEADQUARTER):

District 8 Treasury Tower 51<sup>st</sup> 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

### 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

### 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