

Morning Brief

Today's Outlook:

US MARKETS: US economic data showed moderate inflation. A US Commerce Department report showed the Personal Consumption Expenditure index - the Federal Reserve's favorite gauge of inflation - actually remained unchanged at 2.6% yoy in December. But the Core PCE price index which excludes volatile items such as food and fuel, did slow to 2.9% in December, from 3.2% in the previous month, below economists' estimate of 3%. This kept the annual inflation rise below 3% for the third consecutive month and supports hopes of an interest rate cut this year. Earlier on Thursday, data showed strong fourth quarter US economic growth figures (US GDP 4Q23). On the other hand, Personal Spending (Dec) aka consumer spending, which is the largest part of economic growth, surprisingly rose 0.7%, well above the estimated 0.4% increase, which supports optimism that the US economy is far from recession.

COMMODITIES: OIL prices jumped 1% on Monday amid fuel supply concerns after a missile hit a fuel tanker belonging to Trafigura in the Red Sea; plus Russian refined product exports will fall as some refineries are under repair after a Ukrainian drone attack. Brent crude oil futures rose to USD 84.38/barrel, while US West Texas Intermediate crude oil advanced to USD 78.79/barrel. Both contracts gained two weeks in a row and settled at two-month highs in Friday's trading, supported by supply concerns due to Middle East and Russian conflicts; while positive US economic growth and signs of Chinese stimulus are expected to boost global demand expectations. Russia is likely to reduce exports of naphtha, a petrochemical feedstock, by around 127,500-136,000 barrels per day, or about a third of its total exports, after fires disrupted refinery operations in the Baltic and Black Seas, according to traders and LSEG vessels. On February 1, key ministers from OPEC+ will meet online. OPEC+ is likely to decide its oil production levels for April and onwards in the coming weeks.

Corporate News

Tower Bersama (TBIG) Ready to Repay Bonds Maturing IDR 1.01 Trillion Tower issuer PT Tower Bersama Infrastructure Tbk (TBIG) said that it has prepared funds to pay off bonds worth a total of IDR 1.01 trillion which will mature in February 2024. TBIG Director Helmy Yusman Santoso said that his party is ready to pay off the Tower Bersama Infrastructure IV Sustainable Bonds phase III of 2021 series B amounting to IDR 1.01 trillion, which will mature on February 17, 2024. For information, TBIG has two bonds that will mature in the near future. TBIG's bonds that will mature are the Tower Bersama Infrastructure IV Sustainable Bonds phase III of 2021 series B amounting to IDR 1.01 trillion, which will mature on February 17, 2024. TBIG's next bond to mature is the Tower Bersama Infrastructure Sustainable Bond V phase VI in 2023 with a value of IDR 2.48 trillion and will mature on February 27, 2024. (Bisnis)

Domestic Issue

Government to Hold Government Bond (SUN) Auction on Tuesday (30/1) The government will hold an auction of rupiah-denominated Government Securities (SUN) on Tuesday (30/1). In this SUN auction, the government set an indicative target of IDR 24 trillion - IDR 36 trillion. Based on information from the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, there are eight series of SUN that will be auctioned starting at 09.00 WIB until 11.00 WIB. The auction aims to fulfill part of the financing target in the 2024 State Budget. The following are details of the 8 SUN series that will be offered at the auction on Tuesday (30/1) tomorrow: SPN03240501, SPN12250116, FR0101, FRSDG001, FR0100, FR0098, FR0097 and FR0102. In this auction, the FRSDG001 Series is again offered, which is the first Sustainable Development Goals (SDGs) Bond series offered through auction in the domestic primary market. (Kontan)

Recommendation

US10YT is running quite orderly moving up in a PARALLEL CHANNEL pattern, towards TARGET: 4.258% / 4.35%. ADVISE: AVERAGE UP above the Resistance from the previous High level of 4.2%.

ID10YT is trying to break out MA10 & MA20, thus it can smooth its way towards TARGET: 6.75% / 6.948% - 6.962%. ADVISE: AVERAGE UP accordingly.

PRICE OF BENCHMARK SERIES

FR0090 : 96.33 (-0.16%)
FR0091 : 98.49 (-0.21%)
FR0094 : 96.15 (-0.01%)
FR0092 : 102.28 (-0.12%)

FR0086 : 98.47 (-0.05%)
FR0087 : 99.31 (+0.02%)
FR0083 : 106.12 (-0.02%)
FR0088 : 96.09 (+0.11%)

CDS of Indonesia Bonds

CDS 2yr: +1.02% to 32.79

CDS 5yr: -0.36% to 75.61

CDS 10yr: +0.78% to 134.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.64%	-0.02%
USDIDR	15,820	-0.03%
KRWIDR	11.84	-0.03%

Global Indices

Index	Last	Chg.	%
Dow Jones	38,109.43	60.30	0.16%
S&P 500	4,890.97	(3.19)	-0.07%
FTSE 100	7,635.09	105.36	1.40%
DAX	16,961.39	54.47	0.32%
Nikkei	35,751.07	(485.40)	-1.34%
Hang Seng	15,952.23	(259.73)	-1.60%
Shanghai	2,910.22	4.11	0.14%
Kospi	2,478.56	8.22	0.33%
EIDO	21.35	(0.22)	-1.02%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,018.5	(2.3)	-0.11%
Crude Oil (\$/bbl)	78.01	0.65	0.84%
Coal (\$/ton)	127.10	0.30	0.24%
Nickel LME (\$/MT)	16,785	84.0	0.50%
Tin LME (\$/MT)	26,664	16.0	0.06%
CPO (MYR/Ton)	4,017	23.0	0.58%

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)	3.30	2.41	Govt. Spending Yoy	-3.76%	10.62%
Exports Yoy	-5.76%	-8.56%	FDI (USD bn)	4.86	5.14
Imports Yoy	-3.81%	3.29%	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
Monday	—	—	—	—	—	—	—
29 – Jan.	—	—	—	—	—	—	—
Tuesday	US	22:00	Conf. Board Consumer Confidence	Jan	112.5	110.7	
30 – Jan.	JP	06:30	Jobless Rate	Dec	2.5%	2.5%	
Wednesday	US	20:15	ADP Employment Change	Jan	150K	164K	
31 – Jan.	CH	08:30	Manufacturing PMI	Jan	—	49.0	
	KR	06:00	Industrial Production YoY	Dec	—	5.3%	
Thursday	US	02:00	FOMC Rate Decision (Upper Bound)	Jan 31	5.50%	5.50%	
1 – Feb.	US	02:00	FOMC Rate Decision (Lower Bound)	Jan 31	5.25%	5.25%	
	US	20:30	Initial Jobless Claims	Jan 27	—	214K	
	US	21:45	S&P Global US Manufacturing PMI	Jan F	—	50.3	
	US	22:00	ISM Manufacturing	Jan	47.5	47.2	
	CH	08:45	Caixin China PMI Mfg	Jan	—	50.8	
	ID	07:30	S&P Global Indonesia PMI Mfg	Jan	—	52.2	
	ID	11:00	CPI YoY	Jan	2.50%	2.61%	
	GE	15:55	HCOB Germany Manufacturing PMI	Jan F	—	45.4	
	EC	16:00	HCOB Eurozone Manufacturing PMI	Jan F	—	46.6	
	EC	17:00	CPI MoM	Jan P	-0.3%	0.2%	
Friday	US	20:30	Change in Nonfarm Payrolls	Jan	185K	216K	
2 – Feb.	US	20:30	Unemployment Rate	Jan	3.7%	3.7%	
	US	22:00	U. of Mich. Sentiment	Jan F	78.8	78.8	
	US	22:00	Factory Orders	Dec	0.5%	2.6%	
	US	22:00	Durable Goods Orders	Dec F	—	0.0%	
	KR	06:00	CPI YoY	Jan	2.8%	3.2%	

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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