

Morning Brief

Daily | February 12, 2024

Today's Outlook:

US MARKET: Revised US consumer price index data showed that the annualized inflation rate in the fourth quarter was unchanged at 3.3%, suggesting that the easing of price pressures over the past year is still intact. Shares of chipmakers also drove the rally in the technology sector as demand for chips will increase as the artificial intelligence (AI) technology boom strengthens. Strong US economic data and hawkish comments from Fed officials in recent days have dashed hopes that the central bank will start cutting interest rates in March. Market participants are awaiting the release of January CPI data tomorrow for further clues on when the Fed will cut borrowing costs aka benchmark interest rates.

ASIA & EUROPE MARKETS: While the main Asian markets (Japan, China, South Korea) are still on holiday, this Monday it is likely that market participants will direct their attention to Europe, especially because of the Eurogroup Meetings. There will be more economic indicators from both continents tomorrow, such as: Japan PPI (Jan), Indonesia Consumer Confidence (Jan), UK labor report, and German ZEW Economic Sentiment (Feb).

NHKSI RESEARCH expects market participants to be quite fixated on monitoring the results of the presidential election which quick count will soon come into focus in the next few days, after citizens who are old enough exercise their voting rights on February 14.

Corporate News

Shares Continue to Fall, Provident Investasi (PALM) Must Prepare IDR 268 B to Pay Bonds PT Perneringat Efek Indonesia (PEFINDO) affirmed the "idA" rating for PT Provident Investasi Bersama Tbk (PALM) Phase I Series A Sustainable Bonds I worth IDR 268 billion which will mature on April 7, 2024. "The company's readiness to pay off the maturing debt securities is supported by the shares of PT Merdeka Copper Gold Tbk (MDKA) which are valued at IDR 3.4 trillion at the end of November 2023, and a cash and cash equivalent position of IDR 54 billion and money market facilities worth IDR 150 billion, also at the end of November 2023," wrote Pefindo in a statement quoted on Wednesday (7/2/2024). Obligors with idA ratings have a strong ability compared to other Indonesian obligors to meet their long-term financial commitments. However, the obligor's ability may be easily affected by adverse changes in economic conditions and conditions compared to obligors with higher ratings. (Emiten News)

Domestic Issue

IDX Records Bond Issuance Touching IDR 11.88 Trillion from 11 Issuers The Indonesia Stock Exchange (IDX) recorded bond and sukuk issuances reaching IDR 11.88 trillion throughout 2024. The bond listing came from 12 emissions from 11 issuers. Citing IDX data, the total bond and sukuk emissions recorded on the IDX amounted to 550 emissions from 128 issuers with outstanding IDR 466.48 trillion and USD 32,362 million. Government Securities (SBN) listed on the IDX amounted to 186 series with a value of IDR 8,522.38 trillion and USD 502.10 million. Asset-Backed Securities (ABS), as many as 10 emissions worth IDR 3.25 trillion. This week, to be precise for the period February 5-7, 2024, the IDX recorded three bond listings. The bond listing on Wednesday, February 7, 2024 included the Tower Bersama Infrastructure Phase III Sustainable Bonds VI Year 2024 issued by PT Tower Bersama Infrastructure (TBIG). The bonds were issued with a nominal value of IDR 2.7 trillion and PT Bank Tabungan Negara (Persero) Tbk acted as trustee. The rating result from PT Fitch Ratings Indonesia for the Bonds is AA+ (idn) (Double A Plus). Then, Pegadaian Sustainable Bonds V Phase V Year 2024 was also listed on the same day. Bonds issued by PT Pegadaian were listed with a nominal value of IDR 791.80 billion and received an idAAA (Triple A) rating from PT Perneringat Efek Indonesia (Pefindo). PT Bank Mega Tbk acts as Trustee. (Liputan 6)

Recommendation

US10YT is still a bit hesitant to go through the Resistance from the previous High level at 4.2% yield. A break above this crucial level will free the yield to move north towards the TARGET YIELD of around 4.375% - 4.40%. ADVISE: BUY ON BREAK / AVERAGE UP accordingly.

ID10YT appears to be stalled at MA20 Resistance and short-term trendline pull that has been blocking the upside since yields of 6.62% - 6.64%. A break above this crucial level will only pave the way for strengthening ID10YT towards TARGET YIELD: 6.75% / 6.95% - 6.96%. ADVISE: WAIT FOR BREAK OUT TO BUY OR AVERAGE UP.

PRICE OF BENCHMARK SERIES

FR0090 : 96.73 (+0.02%)
FR0091 : 98.44 (+0.04%)
FR0094 : 96.36 (+0.05%)
FR0092 : 102.85 (+0.08%)

FR0086 : 98.74 (+0.09%)
FR0087 : 99.43 (+0.09%)
FR0083 : 106.24 (+0.09%)
FR0088 : 96.10 (-0.05%)

CDS of Indonesia Bonds

CDS 2yr: -0.37% to 32.42
CDS 5yr: -0.47% to 73.39
CDS 10yr: -0.43% to 126.88

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.62%	0.01%
USDIDR	15,635	-0.60%
KRWIDR	11.78	-0.65%

Global Indices

Index	Last	Chg.	%
Dow Jones	38,671.69	(54.64)	-0.14%
S&P 500	5,026.61	28.70	0.57%
FTSE 100	7,572.58	(22.90)	-0.30%
DAX	16,926.50	(37.33)	-0.22%
Nikkei	36,897.42	34.14	0.09%
Hang Seng	15,746.58	(131.49)	-0.83%
Shanghai	2,865.90	36.21	1.28%
Kospi	2,620.32	10.74	0.41%
EIDO	22.41	0.15	0.67%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,024.3	(10.3)	-0.50%
Crude Oil (\$/bbl)	76.84	0.62	0.81%
Coal (\$/ton)	120.60	0.00	0.00%
Nickel LME (\$/MT)	15,921	(86.0)	-0.54%
Tin LME (\$/MT)	26,367	472.0	1.82%
CPO (MYR/Ton)	3,884	10.0	0.26%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	5.04%	4.94%
FX Reserve (USD bn)	146.40	138.10	Current Acc (USD bn)	-0.90	-1.90
Trd Balance (USD bn)	3.31	2.41	Govt. Spending Yoy	2.81%	-3.76%
Exports Yoy	-5.85%	-8.56%	FDI (USD bn)	4.86	5.14
Imports Yoy	-3.81%	3.29%	Business Confidence	104.82	104.30
Inflation Yoy	2.57%	2.61%	Cons. Confidence*	123.80	123.60

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
12 – Feb.	—	—	—	—	—	—	—
Tuesday	US	20:30	CPI YoY	Jan	—	—	3.4%
13 – Feb.	ID	—	Consumer Confidence Index	Jan	—	—	123.8
	GE	17:00	ZEW Survey Expectation	Feb	—	—	15.2
	GE	17:00	ZEW Survey Current Situation	Feb	—	—	-77.3
	JP	06:50	PPI YoY	Jan	—	—	0.0%
Wednesday	EC	17:00	GDP SA QoQ	4Q P	—	—	0.0%
14 – Feb.	EC	17:00	GDP SA YoY	4Q P	—	—	0.1%
Thursday	US	20:30	Empire Manufacturing	Feb	-15.1	-43.7	
15 – Feb.	US	20:30	Retail Sales Advance MoM	Jan	0.1%	0.6%	
	US	20:30	Initial Jobless Claims	Feb 10	—	—	
	US	21:15	Industrial Production MoM	Jan	0.4%	0.1%	
	ID	11:00	Trade Balance	Jan	—	—	\$3,307M
	ID	11:00	Exports YoY	Jan	—	—	-5.85%
	ID	11:00	Imports YoY	Dec	—	—	-3.81%
	JP	06:50	GDP SA QoQ	4Q P	0.3%	-0.7%	
	JP	11:30	Industrial Production MoM	Dec F	—	—	1.8%
Friday	US	20:30	Housing Starts	Jan	1,468K	1,460K	
16 – Feb.	US	20:30	PPI Final Demand MoM	Jan	0.1%	-0.1%	
	US	22:00	U. of Mich. Sentiment	Feb P	80.0	79.0	
	KR	06:00	Unemployment Rate SA	Jan	—	—	3.3%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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