

Morning Brief

Daily | February 02, 2024

Today's Outlook:

US MARKETS: The weekly Initial Jobless Claims for the week ended January 27 rose to 224,000, higher than expectations of 213,000 and the highest level since mid-November. The increase in jobless claims was released a day before the Nonfarm Payroll report which is expected to show a decline in job openings last month.

A number of PMI data from several key countries were released on the same Thursday. From the Asian continent, South Korea, Indonesia, and China were among those that recorded Manufacturing PMI in expansionary territory; while Japan is still struggling to get their manufacturing sector out of contractionary territory. The same struggle was experienced by European countries such as Germany, Eurozone, and the UK where their Manufacturing PMIs were seen limping closer to the 50 border. Meanwhile, the world's largest economy, the US managed to record the S&P Global US Manufacturing PMI (Jan) at 50.7, beating expectations and finally managed to cross into expansionary territory from the previous position of 47.9.

From other central banks, the Bank of England kept interest rates at an almost 16-year high; but signaled a possible cut later this year amid calls to reduce borrowing costs from 2020. Moreover, Inflation in the Eurozone evidently flattened last month, falling to 2.8% yoy in January from 2.9% in December, inching closer to the ECB's 2% target. This all suggests that these major central banks are getting closer to the prospect of a rate cut this year.

Speaking of Inflation (Jan), INDONESIA reported that the Consumer Price Index cooled down to 2.57% yoy, from 2.61% in the previous month, slightly above expectation of 2.55%. On a monthly basis, Inflation was reduced to only 0.04% growth, much lower than consensus and previous period. The Core Inflation was further contained to 1.68% yoy, also below the prediction of 1.76% and 1.80% in the previous month.

COMMODITIES: World OIL prices plunged again at the close of trading on Thursday (1/2/24). West Texas Intermediate (WTI) crude oil futures for March 2024 delivery closed down 2.68%, to US\$73.82 per barrel on the New York Mercantile Exchange. Meanwhile, Brent crude oil futures for April 2024 delivery ended down 2.30%, to US\$78.70 per barrel on the London ICE Futures Exchange. The drop in commodity prices came amid efforts to negotiate an Israel-Hamas ceasefire, plus traders digested the results of the OPEC+ committee meeting and the Federal Reserve's decision on interest rates where they indicated that a rate cut is unlikely to be implemented this March. OPEC+ proposed no change to their decision to cut production by 2.2 million barrels per day from the market this quarter.

Corporate News

Issued a Total of IDR 12.87 Billion, Mora Telematics Indonesia (MORA) Paid Sukuk Ijarah 2021 PT Mora Telematika Indonesia Tbk (MORA) has made the 11th payment of Sustainable Sukuk Ijarah I Moratelindo Phase IV Year 2021 Series and B. For this reason, MORA issued a total of IDR 12.87 billion. In a written statement on Thursday (1/2/2024), MORA Corporate Secretary, Henry Rizard Rumopa said that MORA had paid IDR 12.02 billion for Sukuk Ijarah series A and IDR 849.7 million for series B. That way the issuer issued a total of IDR 12.87 billion with an interest rate of 10.25% and 11%, for the payment. Henry Rizard Rumopa confirmed that the Company had made payments before the maturity date, namely February 1, 2024, to the KSEI account through the Company's account at Bank Nano Syariah. (Emiten News)

Domestic Issue

Government Absorbs IDR 24 Trillion in Debt from Yesterday's SUN Auction The government on Tuesday (30/1) held an auction of eight series of Government Debt Securities (SUN) in order to fulfill part of the financing target in the 2024 APBN. The eight series of SUN being auctioned were series SPN03240501 (new issuance), SPN12250116 (reopening), FR0101 respectively (reopening), FRSDG001 (reopening), FR0100 (reopening), FR0098 (reopening), FR0097 (reopening) and FR0102 (reopening). Of the eight series of SUN that were auctioned through the Bank Indonesia auction system, the total bids received amounted to IDR 73,242,200,000,000. The details for the SPN03240501 series, the incoming bid was IDR 3,460 trillion, SPN12250116 was IDR 7,079 trillion, FR0101 was IDR 25,6095 trillion, FRSDG001 IDR 2,650 trillion, FR0100 series IDR 18,593 trillion, FR0098 series IDR 4,300 trillion, FR0 series 097 IDR 4.9359 trillion, and series FR0102 amounting to IDR 6.6148 trillion. In accordance with the authority granted by Law Number 24 of 2002 concerning Government Debt Securities, the Minister of Finance determined the auction results as follows: For the SPN03240501 series, the debt withdrawn was IDR 1,000 trillion, SPN12250116 was IDR 0.900 trillion, FR0101 was IDR 8,350 trillion, FRSDG001 IDR 0.250 trillion, the FR0100 series IDR 8,050 trillion, the FR0098 series IDR 2,250 trillion, the FR0097 series IDR 1,500 trillion, and the FR0102 series IDR 1,700 trillion. Thus, the total nominal debt withdrawn from the eight series of SUN offered is IDR 24 trillion. The same as the indicative target set previously. (Emiten News)

Recommendation

US10YT almost got to test Support from the previous Low level at yield 3.783%. ADVISE: BUY ON WEAKNESS.

ID10YT proved to have a technical rebound attempt when it touched the Support level of previous Low at yield 6.585%. Gradual resistance up to 6.65% yield will prevent ID10YT from continuing its upward swing. ADVISE: AVERAGE UP accordingly.

PRICE OF BENCHMARK SERIES

FR0090 : 96.50 (+0.07%)
FR0091 : 99.15 (-0.03%)
FR0094 : 96.35 (+0.10%)
FR0092 : 103.27 (+0.11%)

FR0086 : 98.57 (-0.02%)
FR0087 : 99.78 (+0.10%)
FR0083 : 106.54 (+0.13%)
FR0088 : 96.74 (+0.44%)

CDS of Indonesia Bonds

CDS 2yr: +2.30% to 33.38

CDS 5yr: +2.37% to 76.16

CDS 10yr: +2.01% to 130.72

Government Bond Yields & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 6.54% | -0.04% |
| USDIDR | 15,765 | -0.10% |
| KRWIDR | 11.84 | 0.10% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 38,519.84 | 369.54 | 0.97% |
| S&P 500 | 4,906.19 | 60.54 | 1.25% |
| FTSE 100 | 7,622.16 | (8.41) | -0.11% |
| DAX | 16,859.04 | (44.72) | -0.26% |
| Nikkei | 36,011.46 | (275.25) | -0.76% |
| Hang Seng | 15,566.21 | 81.14 | 0.52% |
| Shanghai | 2,770.74 | (17.81) | -0.64% |
| Kospi | 2,542.46 | 45.37 | 1.82% |
| EIDO | 22.03 | 0.17 | 0.78% |

Commodities

| Commodity | Last | Chg. | % |
|--------------------|---------|---------|--------|
| Gold (\$/troy oz.) | 2,055.0 | 15.5 | 0.76% |
| Crude Oil (\$/bbl) | 73.82 | (2.03) | -2.68% |
| Coal (\$/ton) | 116.00 | (0.50) | -0.43% |
| Nickel LME (\$/MT) | 16,230 | (39.0) | -0.24% |
| Tin LME (\$/MT) | 25,803 | (430.0) | -1.64% |
| CPO (MYR/Ton) | 3,798 | (44.0) | -1.15% |

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) | 3.31 | 2.41 | Govt. Spending Yoy | -3.76% | 10.62% |
| 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 | — | — | — | — | — | — | — |
| 29 – Jan. | — | — | — | — | — | — | — |
| Tuesday | US | 22:00 | Conf. Board Consumer Confidence | Jan | 114.8 | 112.5 | 110.7 |
| 30 – Jan. | JP | 06:30 | Jobless Rate | Dec | 2.4% | 2.5% | 2.5% |
| Wednesday | US | 20:15 | ADP Employment Change | Jan | 107K | 150K | 164K |
| 31 – Jan. | CH | 08:30 | Manufacturing PMI | Jan | 49.2 | — | 49.0 |
| | KR | 06:00 | Industrial Production YoY | Dec | 6.2% | — | 5.3% |
| Thursday | US | 02:00 | FOMC Rate Decision (Upper Bound) | Jan 31 | 5.50% | 5.50% | 5.50% |
| 1 – Feb. | US | 02:00 | FOMC Rate Decision (Lower Bound) | Jan 31 | 5.25% | 5.25% | 5.25% |
| | US | 20:30 | Initial Jobless Claims | Jan 27 | 224K | — | 214K |
| | US | 21:45 | S&P Global US Manufacturing PMI | Jan F | 50.7 | — | 50.3 |
| | US | 22:00 | ISM Manufacturing | Jan | 49.1 | 47.5 | 47.2 |
| | CH | 08:45 | Caixin China PMI Mfg | Jan | 50.8 | — | 50.8 |
| | ID | 07:30 | S&P Global Indonesia PMI Mfg | Jan | 52.9 | — | 52.2 |
| | ID | 11:00 | CPI YoY | Jan | 2.57% | 2.50% | 2.61% |
| | GE | 15:55 | HCOB Germany Manufacturing PMI | Jan F | 45.5 | — | 45.4 |
| | EC | 16:00 | HCOB Eurozone Manufacturing PMI | Jan F | 46.6 | — | 46.6 |
| | EC | 17:00 | CPI MoM | Jan P | -0.4% | -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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