

# Morning Brief

Daily | February 22, 2024

## Today's Outlook:

**US MARKETS:** Investors were no longer too fixated on the contents of the Fed's January Minutes which showed that most central bank officials were still hesitant to cut interest rates immediately. Policymakers are also unsure how long the tight monetary policy will last. US Treasury yields reacted by remaining at intraday highs, where the rate-sensitive 2-year bond rose 4bps to 4.655%. Important economic indicators to look forward to tonight: Initial Jobless Claims (consensus: 218k versus previous: 212k), S&P Global US Manufacturing PMI (Feb), Existing Home Sales (Jan), and Crude Oil Inventories.

**ASIAN & EUROPEAN MARKETS:** DATA PMI day will also be awaited in a number of Asian & European countries, such as Japan, Germany, Eurozone, and the UK. More importantly, the Eurozone will announce its January Inflation rate which is expected to be around 2.8% yoy, cooling slightly from the previous month's 2.9%.

**INDONESIA:** The central bank set BI7DRR to remain at 6.0% with benchmark deposit and lending rates unchanged at 5.25% and 6.75% respectively.

## Corporate News

**Holds Right Issue Permit, PYFA to Offer IDR 400 Billion Bonds** Pyridam Farma (PYFA) will offer debt securities with a principal amount of IDR 400 billion. The sustainable bonds I phase III in 2024, carries an interest rate of 9.50 percent per year with a duration of two years. The first interest will be paid May 23, 2024. The bonds carry an idBBB+ rating from Kredit rating Indonesia. Underwriters are Aldiracita Sekuritas Indonesia, and Sinarmas Sekuritas with trustee Bank KB Bukopin (BBKP). The bond public offering period is February 21-22, 2024, and the listing on the IDX is on February 28, 2024. About 60 percent of the proceeds from the bonds will be used for working capital and operational costs. While the rest is for capital expenditure. Previously, this pharmaceutical issuer, had pocketed the blessing to hold a maximum rights issue of 16 billion shares with a nominal value of IDR 100 per share. (Emiten News)

## Domestic Issue

**Pefindo Says No Leasing Company Has Issued Green Bonds Yet** PT Pemeringkat Efek Indonesia (Pefindo) said there are no multifinance or leasing companies that have taken funding through sustainable bonds or green bonds. Pefindo's Economic Research Division Ahmad Nasrudin said that the multifinance industry focuses more on commercial financing, such as motor vehicle financing. Ahmad said that in the productive sector, the main segments of the financing industry are the commodity, mining and construction sectors. According to him, these segments are quite sensitive to sustainability issues. However, Pefindo does not deny that there is room to provide sustainable loans in the productive sector to finance companies that operate in an environmentally friendly manner. It takes a long time to effectively encourage multifinance companies to issue debt securities in the domestic market. (Bisnis)

## Recommendation

**Awaiting a break out of US10YT above yield 4.332% - 4.40% to continue the rise towards the TARGET of INVERTED HEAD & SHOULDERS pattern around yield 4.664%.** ADVISE: AVERAGE UP accordingly. Support: yield 4.282% - 4.173%.

**ID10YT has the potential to close the GAP that occurred yesterday with a pullback to the nearest support, which is a series of three Moving Averages around the yield: 6.636% - 6.614%.** ADVISE: if any, use the weakening momentum as an opportunity to BUY ON WEAKNESS. TARGET yield: 6.75%.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.67 (+0.10%)  
FR0091 : 98.50 (+0.07%)  
FR0094 : **96.89 (-0.00%)**  
FR0092 : 102.63 (+0.09%)

FR0086 : **98.65 (-0.03%)**  
FR0087 : 99.47 (+0.18%)  
FR0083 : **106.11 (-0.01%)**  
FR0088 : 96.08 (+0.01%)

## CDS of Indonesia Bonds

CDS 2yr: +0.40% to 31.63  
CDS 5yr: +0.20% to 71.67  
CDS 10yr: +0.21% to 123.44

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.59%	-0.03%
USDIDR	15,635	-0.16%
KRWIDR	11.72	0.05%

## Global Indices

Index	Last	Chg.	%
Dow Jones	38,612.24	48.44	0.13%
S&P 500	4,981.80	6.29	0.13%
FTSE 100	7,662.51	(56.70)	-0.73%
DAX	17,118.12	49.69	0.29%
Nikkei	38,262.16	(101.45)	-0.26%
Hang Seng	16,503.10	255.59	1.57%
Shanghai	2,950.96	28.23	0.97%
Kospi	2,653.31	(4.48)	-0.17%
EIDO	22.70	(0.09)	-0.39%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,026.0	1.6	0.08%
Crude Oil (\$/bbl)	77.91	0.87	1.13%
Coal (\$/ton)	119.40	(0.20)	-0.17%
Nickel LME (\$/MT)	16,930	583.0	3.57%
Tin LME (\$/MT)	26,296	(125.0)	-0.47%
CPO (MYR/Ton)	3,863	3.0	0.08%

## 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)	145.10	146.40	Current Acc (USD bn)	-0.90	-1.90
Trd Balance (USD bn)	2.02	3.30	Govt. Spending Yoy	2.81%	-3.76%
Exports Yoy	-8.06%	-5.76%	FDI (USD bn)	4.86	5.14
Imports Yoy	0.36%	-3.81%	Business Confidence	104.82	104.30
Inflation Yoy	2.57%	2.61%	Cons. Confidence*	125.00	123.80

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 19 – Feb.	JP	06:50	Core Machine Orders MoM	Dec	2.7%	2.6%	-4.9%
	JP	06:50	Core Machine Orders YoY	Dec	-0.7%	-1.4%	-5.0%
<b>Tuesday</b> 20 – Feb.	US	22:00	Leading Index	Jan	-0.4%	-0.3%	-0.1%
	JP	12:00	Tokyo Condominium for Sale YoY	Jan	56.6%	—	3.8%
<b>Wednesday</b> 21 – Feb.	US	19:00	MBA Mortgage Applications	Feb 16	-10.6%	—	-2.3%
	ID	14:20	BI Rate	Feb 21	6.00%	6.00%	6.00%
	EC	22:00	Consumer Confidence	Feb P	-15.5	-15.8	-16.1
<b>Thursday</b> 22 – Feb.	US	02:00	FOMC Meeting Minutes	Jan 31	—	—	—
	US	20:30	Initial Jobless Claims	Feb 17	—	—	212K
	US	21:45	S&P Global US Manufacturing PMI	Feb P	—	50.1	50.7
	US	22:00	Existing Home Sales	Jan	—	3.97M	3.78M
	ID	10:00	BoP Current Account Balance	4Q	—	—	-\$900M
	GE	15:30	HCOB Germany Manufacturing PMI	Feb P	—	46.5	45.5
	EC	16:00	HCOB Eurozone Manufacturing PMI	Feb P	—	47.0	46.6
	EC	17:00	CPI YoY	Jan F	—	2.8%	2.8%
	KR	—	BOK Base Rate	Feb 22	—	—	3.50%
	JP	07:30	Jibun Bank Japan PMI Mfg	Feb P	—	—	48.0
<b>Friday</b> 23 – Feb.	CH	08:30	New Home Prices MoM	Jan	—	—	-0.45%
	GE	14:00	GDP SA QoQ	4Q F	—	-0.3%	-0.3%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

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## Indonesia 10 Years Treasury

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## 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

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## 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

Telp : +62 22 860 22122

### 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

Telp : +62 411 360 4650

### Branch Office Denpasar:

Jl. Cok Agung Tresna

Ruko Griya Alamanda No. 9

Renon Denpasar, Bali 80226

Indonesia

Telp : +62 361 209 4230

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