

# Morning Brief

Daily | February 26, 2024

## Today's Outlook:

**US MARKET:** Fed Fund Rate futures showed a 52.6% chance of a cut in June, with a 35.5% probability of no cut; a sharp reversal from bets on February 1 with a 62% chance of a cut in March, according to CME Group's FedWatch Tool. Meanwhile, the two-year US Treasury yield, which reflects interest rate expectations, fell 2.2 basis points to 4.692%, while the 10-year bond yield fell 7.5 basis points to 4.252%. The 10-year bond hit a three-month high of 4.3540% overnight.

**EUROPEAN MARKETS:** German business sentiment also fell unexpectedly in Europe's largest economy in December, as indicated by the German Ifo Business Climate Index. German bond yields are on track for a third consecutive weekly gain as economic data and central bank officials continue to dampen investor hopes for a rapid rate cut by the European Central Bank this year.

**ASIAN MARKETS:** Data showed on Friday that new home prices in China fell for a seventh month in January, leaving sentiment fragile as policymakers' efforts to restore confidence in the debt-ridden property sector struggle to gain traction.

The Dollar Index is poised to record a weekly decline for the first time in 2024 as investors consolidate positions and seek further guidance on the global economy. The dollar index rose 0.029%, with the euro down 0.03% to USD 1.082.

**COMMODITIES:** US crude oil futures fell USD 2.12 to USD 76.49 per barrel and Brent fell USD 2.05 to USD 81.62. GOLD prices are set for a weekly gain, supported by a weaker dollar. US gold futures closed 0.9% higher at USD 2,049.40 an ounce.

## Corporate News

**Waskita Karya (WSKT): All Bank Creditors Agree to Restructure** PT Waskita Karya (Persero) Tbk (WSKT) reported that all bank creditors have agreed in principle to the company's proposed bank debt restructuring scheme. In addition, the General Meeting of Bondholders (RUPO) of state-owned construction company PT Waskita Karya (Persero) Tbk (WSKT) gave its blessing for the restructuring of the non-guaranteed bond principal and interest settlement scheme. President Director of Waskita Karya Hanugroho stated that the approval of the restructuring was an important achievement for the recovery of Waskita's financial condition to be able to carry out optimal cash flow management, in order to produce a more sustainable operational activity cycle. In line with the approval from bondholders, all bank creditors have also approved in principle the proposed bank debt restructuring scheme proposed by Waskita. Waskita held a meeting on February 21-22, 2024 in Jakarta. As a result, the approved RUPO was the 2018 Shelf-Registered Bonds III Phase III with an approval percentage of 77.91%, while the Shelf-Registered Bonds IV phase I in 2020 reached 92.38%. Meanwhile, the Shelf-Registered Bonds III Phase II of 2018 received 79.19% approval. As is known, the minimum approval result is 75% of the quorum present at the meeting. (Bisnis)

## Domestic Issue

**IDR 23.9 Trillion Sold, MoF: ORI025 Sales Affected by Election** The Directorate General of Financing and Risk Management of the Ministry of Finance (DJPPR Kemenkeu) said that the realization of sales of Retail State Bonds (ORI) ORI025 series reached IDR 23.9 trillion until the end of the offering period Thursday (22/2/2024). On the other hand, the sale of ORI025 was affected by the 2024 General Election. Director of Government Securities of the Ministry of Finance, Deni Ridwan, said that until now his party is still reconciling ORI025 sales data with related parties. "ORI025 orders have reached IDR 23.9 trillion, with a 3-year tenor of IDR 19.38 trillion and a 6-year tenor of IDR 4.53 trillion. The final figure will be announced after the determination of the ORI025 issuance on February 26, 2024," Deni told Bisnis, quoted on Friday (23/2/2024). Furthermore, he said, the ORI025 sales achievement had exceeded the previous series, ORI024, which sold IDR 14.5 trillion in 2023. However, ORI025 sales are still below the initial quota set at IDR 25 trillion. The reason is that people wait and see regarding the 2024 elections. "At the beginning of the offering period until the implementation of the Presidential and legislative elections, ORI025 bookings were relatively slow because people seemed to tend to wait and see over the country's political dynamics," he said. (Bisnis)

## Recommendation

**US10YT is testing MA20 Support at 4.208% after starting to weaken below MA10, making 4.278% the closest Resistance at the moment.** Consolidation is expected to continue, at least being Sideways while waiting for US PCE price index, or even breaking further to the following Support around 4.10%. ADVISE: reduce position, WAIT & SEE.

**ID10YT is also finally sinking below all three Moving Averages (making the level of 6.608% as the nearest Resistance at the moment),** most likely consolidation will approach the Support of the previous Low level around 6.516% yield. ADVISE: WAIT & SEE for possible Buy on Weakness.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.73 (+0.00%)  
FR0091 : 98.86 (+0.15%)  
FR0094 : 96.92 (+0.02%)  
FR0092 : 102.69 (+0.01%)

FR0086 : 98.62 (+0.00%)  
FR0087 : 99.66 (+0.01%)  
FR0083 : 106.36 (+0.10%)  
FR0088 : 96.52 (+0.28%)

## CDS of Indonesia Bonds

CDS 2yr: -0.87% to 30.06  
CDS 5yr: -0.92% to 68.34  
CDS 10yr: -0.86% to 118.38

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.57%	0.00%
USDIDR	15,595	0.03%
KRWIDR	11.72	-0.14%

## Global Indices

Index	Last	Chg.	%
Dow Jones	39,131.53	62.42	0.16%
S&P 500	5,088.80	1.77	0.03%
FTSE 100	7,706.28	21.79	0.28%
DAX	17,419.33	48.88	0.28%
Nikkei	39,098.68	836.52	2.19%
Hang Seng	16,725.86	(17.09)	-0.10%
Shanghai	3,004.88	16.52	0.55%
Kospi	2,667.70	3.43	0.13%
EIDO	22.64	(0.19)	-0.83%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,035.4	11.0	0.54%
Crude Oil (\$/bbl)	76.49	(2.12)	-2.70%
Coal (\$/ton)	119.40	0.00	0.00%
Nickel LME (\$/MT)	17,495	103.0	0.59%
Tin LME (\$/MT)	26,382	212.0	0.81%
CPO (MYR/Ton)	3,853	14.0	0.36%

## 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)	-1.29	-0.90
Trd Balance (USD bn)	2.02	3.30	Govt. Spending Yoy	2.81%	-3.76%
Exports Yoy	-8.06%	-5.76%	FDI (USD bn)	4.82	4.86
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> 26 – Feb.	US	22:00	New Home Sales	Jan		684K	664K
	JP	06:50	PPI Services YoY	Jan		2.4%	2.4%
<b>Tuesday</b> 27 – Feb.	US	20:30	Durable Goods Orders	Jan P		-4.5%	0.0%
	US	22:00	Conf. Board Consumer Confidence	Feb		114.8	114.8
<b>Wednesday</b> 28 – Feb.	US	20:30	GDP Annualized QoQ	4Q S		3.3%	3.3%
	JP	12:00	Leading Index Cl	Dec F		—	116.2
<b>Thursday</b> 29 – Feb.	US	20:30	Personal Income	Jan		0.5%	0.3%
	US	20:30	Personal Spending	Jan		0.2%	0.7%
	US	20:30	Initial Jobless Claims	Feb 24		—	201K
	US	21:45	MNI Chicago PMI	Feb		—	46.0
	GE	15:55	Unemployment Change (000's)	Feb		—	-2.0K
	GE	20:00	CPI YoY	Feb P		2.7%	2.9%
	JP	06:50	Industrial Production MoM	Jan P		-7.2%	1.4%
	<b>Friday</b> 1 – Mar.	US	21:45	S&P Global US Manufacturing PMI	Feb F		—
US	22:00	U. of Mich. Sentiment	Feb F		79.6	79.6	
US	22:00	ISM Manufacturing	Feb		49.2	49.1	
CH	08:30	Manufacturing PMI	Feb		49.5	49.2	
CH	08:45	Caixin China PMI Mfg	Feb		50.7	50.8	
ID	07:30	S&P Global Indonesia PMI Mfg	Feb		—	52.9	
ID	09:00	CPI YoY	Feb		2.65%	2.57%	
KR	07:00	Trade Balance	Feb		\$2,408M	\$328M	
JP	06:30	Jobless Rate	Jan		2.4%	2.4%	

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

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

### A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |  
Jakarta