

Morning Brief

Daily | February 27, 2024

Today's Outlook:

US MARKET: Prior to Thursday's Personal Consumption Expenditures (PCE) price index data, market participants are also looking forward to the 4th quarter US GDP released on Wednesday, which is expected to come out at 3.3% qoq, lower than 4.9% in the previous quarter; indicating that although the US economy seems to be more resilient than some other developed economies, the economic slowdown is evident. The above data will provide a new factor of consideration for investors who seem to have re-evaluated the chances of a rate cut due to the release of strong inflation and employment data. In other investment instruments, US Treasury yields rose after the auction session, while the Dollar fell against a number of other major world currencies including the Euro although the Dollar strengthened slightly against the Japanese Yen.

ECONOMIC DATA: Yesterday's new home sales to young families in the US rose lower than expected in January, amid a slumping trend in the US South. Today investors look forward to Durable Goods Orders and CB Consumer Confidence data for Feb. Market participants are also monitoring the risk of a US government shutdown if Parliament does not approve a debt extension on Friday.

COMMODITIES: OIL prices rallied on Monday as diesel demand from Europe was hampered by sanctions on Russia and disruptions to sea shipping lanes, pushing prices higher at a time when US refinery production is also in danger of being sub-optimal due to scheduled maintenance/overhaul. US WTI rose 1.43% to USD 77.58/barrel, while Brent added 1.1% to USD 82.54/barrel. In other commodities, the spot price of GOLD fell 0.2% to USD 2031.55/ounce, while copper depreciated 1.38% to USD 8449/ounce.

ASIA & EUROPEAN MARKETS: Japan just released national Inflation figures (Jan) at 2.2% yoy, versus 2.6% in the previous month. Meanwhile, National Core CPI came in at 2.0% yoy, slightly higher than the forecast of 1.9%, although slipping from Dec month at 2.3%. Further this afternoon from Continental Europe, Germany will explain its outlook on the consumer climate in March which is likely to remain sluggish.

Corporate News

Merdeka Battery (MBMA) Plans IDR 1.5 Trillion Bonds to Pay Debt PT Merdeka Battery Materials Tbk (MBMA) said that it will issue bonds with a maximum principal amount of IDR 1.5 trillion. These bonds will be used partly for debt repayment. In its prospectus, MBMA said that it will conduct a public offering of Merdeka Battery Materials I bonds in 2024 with a maximum principal amount of IDR 1.5 trillion. These bonds are planned to be issued scrippless and offered at 100% in two series. Series A with a tenor of 367 calendar days from the issuance date and Series B with a tenor of three years from the issuance date. MBMA has not yet determined the principal amount and interest rate of each series of bonds. All proceeds from the bond offering, after deducting issuance costs, amounting to USD 80 million or around IDR 1.26 trillion will be used for early payment of USD 80 million principal amount of debt to PT Bank UOB Indonesia. (Bisnis)

Domestic Issue

Government Holds SUN Auction Today, Indicative Target Reaches IDR 36 Trillion The government will hold an auction of rupiah-denominated Government Bonds (SUN) on Tuesday (27/2). At the SUN auction this time, 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 seven (7) SUN series 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 7 SUN series that will be offered at the auction on Tuesday (27/2): SPN12240529 (Reopening) will mature on May 29, 2024 with a discount rate 2. SPN12250213 (Reopening) will mature on February 13, 2025 with a discount rate 3. FR0101 will mature on April 15, 2029 with a coupon rate of 6.87% 4. FR0100 will mature on February 15, 2034 with a coupon rate of 6.62% 5. FR0098 will mature on June 15, 2038 with a coupon rate of 7.12% 6. FR0097 will mature on June 15, 2043 with a coupon rate of 7.12% 7. FR0102 will mature on July 15, 2054 with a coupon rate of 6.87%. (Kontan)

Recommendation

US10YT still needs more motivation to solidify its position above MA10 Resistance / yield 4.288%. ADVISE : AVERAGE UP accordingly. Nearest TARGET: 4.355% before heading to yield of 4.50% - 4.60%.

ID10YT has an attempt to break the third moving average resistance and the upper channel of the downtrend that blocked its upward move at a yield of 6.611% which has now changed its role to the nearest support. ID10YT has the potential to continue strengthening towards the TARGET yield of 6.75% - 6.777%. ADVISE: AVERAGE UP accordingly.

PRICE OF BENCHMARK SERIES

FR0090 : 96.73 (+0.00%)
FR0091 : 98.97 (+0.11%)
FR0094 : **96.83 (-0.09%)**
FR0092 : 102.97 (+0.28%)

FR0086 : 98.63 (+0.01%)
FR0087 : 99.71 (+0.05%)
FR0083 : 106.36 (+0.10%)
FR0088 : **96.48 (-0.03%)**

CDS of Indonesia Bonds

CDS 2yr: +2.38% to 30.78
CDS 5yr: +1.40% to 69.30
CDS 10yr: +1.95% to 120.69

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.58%	0.01%
USDIDR	15,630	0.22%
KRWIDR	11.74	0.20%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,069.23	(62.30)	-0.16%
S&P 500	5,069.53	(19.27)	-0.38%
FTSE 100	7,684.30	(21.98)	-0.29%
DAX	17,423.23	3.90	0.02%
Nikkei	39,233.71	135.03	0.35%
Hang Seng	16,634.74	(91.12)	-0.54%
Shanghai	2,977.02	(27.86)	-0.93%
Kospi	2,647.08	(20.62)	-0.77%
EIDO	22.54	(0.10)	-0.44%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,031.2	(4.2)	-0.20%
Crude Oil (\$/bbl)	77.58	1.09	1.43%
Coal (\$/ton)	127.75	8.35	6.99%
Nickel LME (\$/MT)	17,169	(326.0)	-1.86%
Tin LME (\$/MT)	26,076	(306.0)	-1.16%
CPO (MYR/Ton)	3,863	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)	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
Monday	US	22:00	New Home Sales	Jan	661K	684K	664K
26 – Feb.	JP	06:50	PPI Services YoY	Jan	2.1%	2.4%	2.4%
Tuesday	US	20:30	Durable Goods Orders	Jan P		-4.5%	0.0%
27 – Feb.	US	22:00	Conf. Board Consumer Confidence	Feb		114.8	114.8
Wednesday	US	20:30	GDP Annualized QoQ	4Q S		3.3%	3.3%
28 – Feb.	JP	12:00	Leading Index Cl	Dec F		—	116.2
Thursday	US	20:30	Personal Income	Jan		0.5%	0.3%
29 – Feb.	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%
Friday	US	21:45	S&P Global US Manufacturing PMI	Feb F		—	51.5
1 – Mar.	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

Published on Investing.com, 27/Feb/2024 - 1:12:48 GMT, Powered by TradingView.

United States 10-Year, United States, NYSE:US10YT=X, D



Indonesia 10 Years Treasury

Published on Investing.com, 27/Feb/2024 - 1:20:11 GMT, Powered by TradingView.

Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



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 51st 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