

# Morning Brief

## Today's Outlook:

**US MARKETS:** The US economy recorded more public sector job additions than expected in January, with Nonfarm Payrolls in the world's largest economy increasing by 353,000 last month, far more than the 187,000 jobs expected. Wage Growth which was also much stronger, is a threat to increase Inflation, confounding the prospects of a rate cut with some economists now suggesting that the inaugural pivot could be delayed. On the one hand, the economic indicators clearly state that the US economy remains strong and therefore far from recession.

**ASIA MARKETS:** A slew of economic data colored the Asia Pacific region on Monday, after a week of investors digesting the US employment report and the latest negative sentiment in China. Today's economic calendar will be enlivened by Purchasing Managers Index figures from China and Japan, as well as Indonesia's GDP. Economists are divided on whether the bullish aura of the US stock market will be able to infect Asian financial markets, as the IMF last week warned that China's economy could slow to 3.5% by 2028, amid China's current 6-month consecutive stock market slump.

**INDONESIA MARKETS:** INDONESIA economic growth expectation in 4Q/2023 stands at 5.0% yoy, supported by domestic consumption, although quarterly growth is predicted to be only 0.4% qoq.

## Corporate News

**WOM Finance to Issue Bonds in 2024, Targeting IDR 6.5 Trillion New Financing** PT Wahana Ottomitra Multiartha Tbk (WOM Finance) stated that in 2024 it has prepared corporate actions that will be carried out. On the other hand, at the beginning of this year the company also managed to channel significant financing. WOM Finance Chief Financial Officer Cincin Lisa Hadi said that the company plans to issue bonds this year. Unfortunately, she did not mention the value of the bond issuance. "The company plans to issue bonds in 2024 to support the company's business growth," he told Kontan.co.id, Friday (2/2). Cincin revealed, the action of mergers and acquisitions of finance companies (multifinance) is one indicator that the multifinance business has good prospects. He sees, WOMF is optimistic that the business will continue to grow along with Indonesia's economic growth. "This year the company has no future acquisition plans," he said. (Kontan)

## Domestic Issue

**ORI025 Sold at IDR 3.5 Trillion a Week, with IDR 25 Trillion Quota** Retail State Bonds (ORI) ORI025 series have sold around IDRR 3.56 trillion as of Sunday, (4/2/2024) or a week period of the offering period with a total initial quota of IDR 25 trillion. Meanwhile, the Directorate General of Financing and Risk Management of the Ministry of Finance (DJPPR Kemenkeu) offered ORI025 from January 29, 2024 to February 22, 2024. ORI025 launched in two series, namely ORI025-T3 with a 3-year tenor and ORI025-T6 with a 6-year tenor. Referring to data from one of the distribution partners PT Bibit Tumbuh Bersama (Bibit) as of Sunday, (4/2/2024) at 09.40 WIB, in detail, ORI025-T3 has sold around IDR 2.72 trillion or 18.19% of the initial quota of IDR 15 trillion. As a result, the purchase quota for ORI025-T3 remains at IDR 12.27 trillion. Furthermore, ORI025-T6 has sold around IDR 834 billion or 8.34% of the initial quota of IDR 10 trillion. This means that the purchase quota for ORI025-T6 remains at IDR 9.16 trillion. Bank Permata Chief Economist Josua Pardede said that ORI025 sales are predicted to reach IDR 23 trillion. This is because the ORI025 coupon is higher than the previous series of Retail State Bonds. "We expect ORI sales to increase to IDR 20 trillion-IDR 23 trillion for a 3-year tenor and IDR 9 trillion-IDR 12 trillion for a 6-year tenor. This series [coupon] sales are higher, even compared to the ORI024 and ORI023 series," said Josua. Furthermore, he said, the increase in ORI025 interest is expected to be one of the attractions of the ORI issuance this time, especially considering the upside potential of the bond movement in the second half of 2024. (Bisnis)

## Recommendation

**US10YT even managed to perch above the third Moving Average Support based on the higher for longer interest rate view thanks to a strong Nonfarm Payroll report above expectations; soon to touch the decisive Resistance at the yield level of 4.118%.** A break of this level will further open up opportunities for yields to strengthen towards TARGET: 4.194% - 4.20%. ADVISE: BUY ON BREAK / AVERAGE UP accordingly.

**ID10YT is still trying to find Support yield, which is probably at 6.50% - 6.465% based on the previous Low level.** ADVISE: WAIT & SEE.

## PRICE OF BENCHMARK SERIES

FR0090	: 96.68 (+0.18%)
FR0091	: <b>99.14 (-0.04%)</b>
FR0094	: 96.41 (+0.06%)
FR0092	: 103.34 (+0.07%)
FR0086	: 98.67 (+0.09%)
FR0087	: 99.93 (+0.15%)
FR0083	: 106.57 (+0.02%)
FR0088	: 96.86 (+0.12%)

## CDS of Indonesia Bonds

CDS 2yr:	<b>-2.91% to 32.41</b>
CDS 5yr:	<b>-2.35% to 74.38</b>
CDS 10yr:	<b>-2.43% to 127.53</b>

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.52%	<b>-0.02%</b>
USDIDR	15,658	<b>-0.68%</b>
KRWIDR	11.85	0.07%

## Global Indices

Index	Last	Chg.	%
Dow Jones	38,654.42	134.58	0.35%
S&P 500	4,958.61	52.42	1.07%
FTSE 100	7,615.54	<b>(6.62)</b>	<b>-0.09%</b>
DAX	16,918.21	59.17	0.35%
Nikkei	36,158.02	146.56	0.41%
Hang Seng	15,533.56	<b>(32.65)</b>	<b>-0.21%</b>
Shanghai	2,730.15	<b>(40.59)</b>	<b>-1.47%</b>
Kospi	2,615.31	72.85	2.87%
EIDO	22.06	0.03	0.14%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,039.8	<b>(15.2)</b>	<b>-0.74%</b>
Crude Oil (\$/bbl)	72.28	<b>(1.54)</b>	<b>-2.09%</b>
Coal (\$/ton)	116.75	0.75	0.65%
Nickel LME (\$/MT)	16,235	5.0	0.03%
Tin LME (\$/MT)	25,550	<b>(253.0)</b>	<b>-0.98%</b>
CPO (MYR/Ton)	3,764	<b>(34.0)</b>	<b>-0.90%</b>

## 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)	<b>-0.90</b>	-1.90
Trd Balance (USD bn)	3.31	2.41	Govt. Spending Yoy	<b>-3.76%</b>	10.62%
Exports Yoy	<b>-5.85%</b>	<b>-8.56%</b>	FDI (USD bn)	4.86	5.14
Imports Yoy	<b>-3.81%</b>	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
<b>Monday</b> 5 – Feb.	US	21:45	S&P Global US Composite PMI	Jan F	—	—	52.3
	CH	08:45	Caixin China PMI Composite	Jan	—	—	52.6
	ID	11:00	GDP YoY	4Q	4.98%	4.94%	4.94%
	KR	04:00	Foreign Reserves	Jan	—	—	\$420.15B
<b>Tuesday</b> 6 – Feb.	GE	14:00	Factory Orders MoM	Dec	—	—	0.3%
	EC	17:00	Retail Sales YoY	Dec	—	—	-1.1%
<b>Wednesday</b> 7 – Feb.	US	20:30	Trade Balance	Dec	-\$62.3B	-\$63.2B	-\$63.2B
	ID	10:00	Foreign Reserves	Jan	—	—	\$146.40B
	GE	14:00	Industrial Production SA MoM	Dec	—	—	-0.7%
	KR	06:00	BoP Current Account Balance	Dec	—	—	\$4,059.7M
<b>Thursday</b> 8 – Feb.	US	20:30	Initial Jobless Claims	Feb 3	—	—	224K
	CH	08:30	PPI YoY	Jan	-2.6%	-2.7%	-2.7%
	CH	08:30	CPI YoY	Jan	-0.5%	-0.3%	-0.3%
	JP	06:50	BoP Current Account Balance	Dec	¥1,007.7B	¥1,925.6B	¥1,925.6B
<b>Friday</b> 9 – Feb.	CH	—	Money Supply M2 YoY	Jan	9.2%	9.7%	9.7%
	GE	14:00	CPI YoY	Jan F	—	—	2.9%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

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## Indonesia 10 Years Treasury

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