

Morning Brief

Daily | March 13, 2024

Today's Outlook:

US MARKET: Market participants responded to the higher-than-expected US inflation report, also supported by bullish speculation in the Technology sector. The US Labor Department reported that US CPI (Feb) rose 0.4% on a monthly basis after rising 0.3% in January, or equivalent to 3.2% yoy, slightly warming up from 3.1% in Jan. Excluding volatile food and energy components, Core Inflation rose 0.4% mom in Feb after rising by the same margin in Jan, bringing the annualized pace to 3.8% from 3.9%, but still slightly above the 3.7% projection. Bond yields moved higher on the prospect of higher for longer interest rates. Even investors now see a 70% chance of the first rate cut in June, as indicated by the CME FedWatch Tool, fairly stable compared to the 71% probability ahead of the inflation report.

COMMODITIES: OIL prices fell on Tuesday, marginally lower after the US issued a higher-than-expected 2024 US crude oil production forecast, amid bearish economic data, while lingering geopolitical tensions limited potential price weakness. Brent oil for May delivery fell 29 cents to USD 81.92 a barrel. The April US West Texas Intermediate (WTI) crude contract ended 37 cents lower at USD 77.56. The U.S. Bureau of Labor Statistics said U.S. inflation was still rising in February, and cited high gasoline and shelter costs as the main culprits.

On Tuesday, OPEC forecast relatively strong global oil demand growth in 2024 and 2025, further raising its economic growth estimate for this year saying there is still room for improvement. On the supply side, the US Energy Information Association raised its forecast for domestic oil production growth in 2024 by 260,000 barrels per day to 13.19 million barrels, compared to the previous forecast increase of only 170,000 barrels per day. Analysts suggest that this increased supply forecast may be motivated by the assumption of higher oil prices. Meanwhile, US crude stockpiles fell by 5.521 million barrels in the week ended March 8, according to market sources citing American Petroleum Institute figures on Tuesday.

EUROPE & ASIA MARKETS: Today a myriad of economic data from continental Europe will be unveiled to investors. Starting with the UK: GDP (Jan), Industrial & Manufacturing Production (Jan), Trade Balance (Jan); followed by Industrial Production (Jan) from the Eurozone. While from the Bamboo Curtain country, China estimates that the New Loans disbursed will shrink to CNY 1510 billion, from the previously massive CNY 4920 billion.

INDONESIA: Is scheduled to know the level of Consumer Confidence in February around 11.00 WIB later.

Corporate News

Stable Outlook, Mayora Indah (MYOR) Secures idAA Rating Mayora Indah (MYOR) has an idAA rating with a stable outlook. Pemingkat Efek Indonesia (Pefindo) also affirmed the idAA rating for the Sustainable Bonds II/2020, and Sustainable Bonds II/2022 issued by the company. The rating reflects a very strong business position, diversified product mix, and very strong financial profile. The rating is limited by exposure to fluctuations in raw material costs, and intense industry competition. The rating can be raised if the company manages to strengthen its position in both domestic and international markets. In addition, the company maintains a conservative financial profile, and stable profit margins. The rating can be lowered if the company aggressively finances expansion with debt far greater than projected without being compensated for improved business performance. (Emiten News)

Domestic Issue

Government Targets IDR 36 trillion at SUN Auction Wednesday (13/3) The government will hold an auction of Government Debt Securities (SUN) denominated in rupiah, this Wednesday (13/3). At this SUN auction, 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) series of SUN that will be auctioned from 09.00 WIB to 11.00 WIB. The auction aims to fulfill part of the financing target in the 2024 APBN. The following are details of the seven series of SUN that will be offered at auction, Wednesday (13/3): SPN03240613 (New Issuance) will mature on June 13 2024 with a discount rate, SPN12250314 (New Issuance) will mature on March 14 2025 with a discount rate, FR0101 will mature on April 15 2029 with a return rate of 6.87%, FR0100 will mature on February 15 2034 with a coupon rate of 6, 62%, FR0098 will mature on June 15, 2038 with a reward rate of 7.12%, FR0097 will mature on June 15, 2043 with a reward rate of 7.12% and FR0102 will mature on July 15, 2054 with reward amounting to 6.87%. Auction results will be announced on the same day. Meanwhile, settlement will be carried out on February 15 2024 or 2 working days after the auction date. (Kontan)

Recommendation

US10YT is still on track in an upward trend thanks to US CPI data which is still heating up above expectations, predicting the view that interest rates still need to be higher for longer. US10YT rebounded from lower channel support - uptrend, has started to try to return above the MA10 & MA50 resistance at around 4.14% yield, moving to the following resistance, namely MA20 at 4.2% yield. ADVISE : WAIT FOR BREAK OUT to buy or average up. TARGET yield: 4.33% - 4.35% / 4.5%.

ID10YT is still indecisive in the formation of a DOUBLE BOTTOM (bullish reversal) pattern, focusing on the potential for breaking through the Resistance NECKLINE yield of 6.652% which will clear the way to the TARGET: yield of 6.75% / 6.8% according to the pattern. ADVISE : WAIT FOR BREAK OUT to buy or average up. The third support for the Moving Average is located around the yield of 6.62% - 6.61%.

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)	144.00	145.10	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	-8.20%	-5.76%	FDI (USD bn)	4.82	4.86
Imports Yoy	0.28%	-3.81%	Business Confidence	104.82	104.30
Inflation Yoy	2.75%	2.57%	Cons. Confidence*	125.00	123.80

PRICE OF BENCHMARK SERIES

FR0090 : 96.50 (+0.00%)
FR0091 : 98.83 (+0.06%)
FR0094 : 96.94 (-0.37%)
FR0092 : 102.60 (+0.09%)

FR0086 : 98.58 (-0.03%)
FR0087 : 99.50 (+0.13%)
FR0083 : 105.93 (+0.04%)
FR0088 : 96.95 (-0.14%)

CDS of Indonesia Bonds

CDS 2yr: -0.74% to 29.61

CDS 5yr: -0.61% to 68.54

CDS 10yr: -0.58% to 120.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.63%	-0.01%
USDIDR	15,590	-0.40%
KRWIDR	11.82	0.32%

Global Indices

Index	Last	Chg.	%
Dow Jones	38,722.69	(68.66)	-0.18%
S&P 500	5,123.69	(33.67)	-0.65%
FTSE 100	7,659.74	(32.72)	-0.43%
DAX	17,814.51	(28.34)	-0.16%
Nikkei	39,688.94	90.23	0.23%
Hang Seng	16,353.39	123.61	0.76%
Shanghai	3,046.02	18.62	0.62%
Kospi	2,680.35	32.73	1.24%
EIDO	22.89	0.10	0.44%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,179.0	19.0	0.88%
Crude Oil (\$/bbl)	78.01	(0.92)	-1.17%
Coal (\$/ton)	134.40	(1.10)	-0.81%
Nickel LME (\$/MT)	18,011	28.0	0.16%
Tin LME (\$/MT)	27,630	23.0	0.08%
CPO (MYR/Ton)	4,094	23.0	0.56%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JP	06:50	GDP SA QoQ	4Q F	0.3%		-0.1%
11 – Mar.	JP	06:50	GDP Annualized SA QoQ	4Q F	1.1%		-0.4%
Tuesday	US	19:30	CPI YoY	Feb	3.1%	3.1%	3.1%
12 – Mar.	GE	14:00	CPI YoY	Feb F	2.5%	2.5%	2.5%
	JP	06:50	PPI YoY	Feb	0.6%	0.6%	0.2%
Wednesday	ID	—	Consumer Confidence Index	Feb	—	—	125.0
13 – Mar.	KR	06:00	Unemployment rate SA	Feb	—	—	3.0%
Thursday	US	19:30	Retail Sales Advance MoM	Feb	0.8%	0.8%	-0.8%
14 – Mar.	US	19:30	PPI Final Demand MoM	Feb	0.3%	0.3%	0.3%
	US	19:30	Initial Jobless Claims	Mar 9	—	—	217K
Friday	US	19:30	Empire Manufacturing	Mar	-8.0	-8.0	-2.4
15 – Mar.	US	20:15	Industrial Production MoM	Feb	0.0%	0.0%	-0.1%
	US	21:00	U. of Mich. Sentiment	Mar P	77.0	77.0	76.9
	ID	09:00	Trade Balance	Feb	\$1,904M	\$1,904M	\$2,015M
	ID	09:00	Exports YoY	Feb	-5.20%	-5.20%	-8.20%
	ID	09:00	Imports YoY	Feb	11.49%	11.49%	0.28%

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 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

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

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