

# Morning Brief

Daily | April 1, 2024

## Today's Outlook:

**US MARKETS:** The US economy grew faster than previously estimated in the fourth quarter, with data released Thursday morning showing gross domestic product (GDP) increased 3.4% at an annualized rate in the fourth quarter, revised up from the previously reported 3.2%. The revision reflected increases in consumer spending, nonresidential fixed investment, and state and local government spending, all of which were supported by a resilient labor market. Another report showed that Initial Jobless Claims fell by 2,000 to 210,000 in the week ended March 23. Meanwhile, the Fed official said that while the central bank will eventually cut interest rates this year, he added that the current resilience of the US economy provides ample room for the Fed to keep interest rates high for longer. This was echoed by the PCE PRICE index (Feb) figures which came out when most markets had Easter / Good Friday holidays, giving mixed indications where on an annualized basis it was still heating up somewhat at 2.5% yoy (up from the previous month's 2.4%), although on a Core PCE Inflation basis it actually appeared to weaken to 2.8% yoy in Feb, from 2.9% in Jan. The economic indicator also recorded Personal Spending (Feb) increased significantly by 0.8% mom, higher than expected and previous month.

**From the ASIA region, South Korea recorded stronger Industrial Production growth in February, as the sector grew 3.1% mom from the previous month's negative -1.5%.** While Tokyo still recorded a weaker Inflation, even the Unemployment Rate increased to 2.6% from 2.4% although Industrial Production tried to get out of the negative zone although it was still weaker than expected. JAPAN'S Retail Sales improved to 4.6% in Feb, higher than the 2.8% forecast. Today there is still a series of economic data from Japan regarding the manufacturing industry, as well as Trade Balance figures from SOUTH KOREA and more importantly watch their Export - Import growth.

## Corporate News

**Pefindo Says PTPP Will Pay Off IDR 1.25 T Bonds, Here Are the Sources of Funds** PT Perneringkat Efek Indonesia (Pefindo) announced that PT Pembangunan Perumahan (Persero) Tbk (PTPP) has Sustainable Bonds III Year 2021 Phase I Series A worth IDR 850 billion and Sustainable Sukuk Mudharabah I Year 2021 Phase I Series A worth IDR 400 billion which will mature on July 2, 2024. Pefindo said in a release on Friday (29/3) that PTPP will pay off the maturing bonds and sukuk using proceeds from corporate actions. PTPP's rating is idA with a stable outlook, while the maturing bonds and sukuk are rated idA and idA(sy) respectively, the last of which was set on March 13, 2024. (Emiten News)

## Domestic Issue

**Government Will Issue ST012 in April 2024, Yield Predicted to be Around 6%** The SR020 series retail sukuk offering period closed on Wednesday (27/3). After SR020, the government plans to issue the latest series of Retail Government Securities (SBN) Savings Sukuk type ST012 series on April 26 - May 29 2024. Director of Sharia Financing, Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance (Kemenkeu) Dwi Irianti Hadiningdyah estimates, ST012 will receive quite high interest from domestic retail investors, because even though it is non-tradable (cannot be traded abroad) it has a special feature in the form of a floating with floor coupon. Meanwhile, in determining ST012 returns, Dwi said that as usual the government will consider actual market conditions and adjust to the government's financing management strategy. However, Dwi said that her party could not yet determine the amount of the ST012 yield. However, according to her, as long as the Bank Indonesia (BI) rate remains at 6%, it is possible that the return will be the same as the SR020 amount, namely 6.3%. "But if the BI rate falls, the possible return from ST012 will only be around 6%," She said. (Kontan)

## Recommendation

**US10YT is responding to the PCE PRICE INDEX which is evidently in a downward trend, so the bond yield is losing reasons to rebound, although it is approaching the Support area of the lower channel of its Uptrend pattern, around the yield of 4.18%.** While the upward Resistance has at least 3 stacked Moving Averages from 4.2% to 4.223%. ADVISE: WAIT & SEE; BUY ON BREAK.

**ID10YT also turned down near the yield resistance area of 6.75%; most likely will return to the nearest support: MA10 around 6.67% yield.** ADVISE: WAIT & SEE; anticipate technical rebound = BUY ON WEAKNESS.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.47 (-0.07%)  
FR0091 : 98.17 (-0.05%)  
FR0094 : 97.04 (+0.05%)  
FR0092 : 104.99 (-0.08%)

FR0086 : 98.47 (-0.02%)  
FR0087 : 99.34 (+0.14%)  
FR0083 : 105.73 (+0.08%)  
FR0088 : 96.86 (+0.14%)

## CDS of Indonesia Bonds

CDS 2yr: +0.54% to 31.59

CDS 5yr: -0.14% to 71.77

CDS 10yr: +0.44% to 125.89

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.69%	-0.04%
USDIDR	15,855	0.00%
KRWIDR	11.78	0.19%

## Global Indices

Index	Last	Chg.	%
Dow Jones	39,807.37	47.29	0.12%
S&P 500	5,254.35	5.86	0.11%
FTSE 100	7,952.62	20.64	0.26%
DAX	18,492.49	15.40	0.08%
Nikkei	40,168.07	(594.66)	-1.46%
Hang Seng	16,541.42	148.58	0.91%
Shanghai	3,010.66	17.53	0.59%
Kospi	2,745.82	(9.29)	-0.34%
EIDO	22.53	(0.14)	-0.62%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,229.9	35.1	1.60%
Crude Oil (\$/bbl)	83.17	1.82	2.24%
Coal (\$/ton)	129.10	0.10	0.08%
Nickel LME (\$/MT)	16,749	129.0	0.78%
Tin LME (\$/MT)	27,451	(73.0)	-0.27%
CPO (MYR/Ton)	4,136	(100.0)	-2.36%

## 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)	144.00	145.10	Current Acc (USD bn)	-1.29	-0.90
Trd Balance (USD bn)	0.87	2.02	Govt. Spending Yoy	2.81%	-3.76%
Exports Yoy	-9.45%	-8.06%	FDI (USD bn)	4.82	4.86
Imports Yoy	15.84%	0.36%	Business Confidence	104.82	104.30
Inflation Yoy	2.75%	2.57%	Cons. Confidence*	123.10	125.00

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 1 – Apr.	US	20:45	S&P Global US Manufacturing PMI	Mar F	—	—	52.5
	US	21:00	ISM Manufacturing	Mar	—	48.5	47.8
	CH	08:45	Caixin China PMI Mfg	Mar	—	50.8	50.9
	ID	07:30	S&P Global Indonesia PMI Mfg	Mar	—	—	52.7
	ID	11:00	CPI YoY	Mar	—	2.88%	2.75%
	KR	07:00	Trade Balance	Mar	—	\$5818M	\$4290M
<b>Tuesday</b> 2 – Apr.	US	21:00	Factory Orders	Feb	—	1.0%	-3.6%
	US	21:00	Durable Goods Orders	Feb F	—	—	1.4%
	GE	19:00	CPI YoY	Mar P	—	—	2.5%
	KR	06:00	CPI YoY	Mar	—	3.1%	3.1%
<b>Wednesday</b> 3 – Apr.	US	19:15	ADP Employment Change	Mar	—	150K	140K
	EC	16:00	CPI MoM	Mar P	—	0.7%	0.6%
<b>Thursday</b> 4 – Apr.	US	19:30	Trade Balance	Feb	—	-\$65.7B	-\$67.4B
	US	19:30	Initial Jobless Claims	Mar 30	—	—	—
<b>Friday</b> 5 – Apr.	US	19:30	Change in Nonfarm Payrolls	Mar	—	216K	275K
	US	19:30	Unemployment Rate	Mar	—	3.8%	3.9%
	GE	13:00	Factory Orders MoM	Feb	—	—	-11.3%
	ID	10:00	Foreign Reserves	Mar	—	—	\$144.00B

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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