

# Morning Brief

Daily | April 19, 2024

## Today's Outlook:

**US MARKETS: Economic data and comments from Federal Reserve officials indicated that the US central bank is unlikely to cut interest rates in the near future.** Economic data showed that the labor market remains resilient, as weekly jobless claims were unchanged from the previous week at 212,000 while the Philadelphia Fed Manufacturing Index (Apr.) rose to its highest level in two years, with a reading of 15.5 which was much higher than the estimate of 1.5 and 3.2 in the previous period. Existing Home Sales (Mar.) declined slightly at 4.19 million but not so far from expectations of 4.20 million which were already expecting a decline from 4.38 million housing units in the previous month. A solid labor market, the latest high inflation data, as well as comments from Fed officials including Chairman Jerome Powell, have caused market participants to push back expectations that the central bank will cut rates by at least 25 basis points (bps) at its June meeting to just 15.2%, according to CME's FedWatch Tool; with July odds standing at 41.5%, down from 48.4% last week.

**Yesterday's comments from Fed officials also reiterated the lack of urgency to cut interest rates, citing the US economy is still strong so they are quite comfortable being patient as it looks like US inflation is able to reach the Fed's 2% target will be slower than expected.** Even other officials marked the possibility of continuing to raise interest rates if the pace of inflation increases. Thus, US Treasury yields are still maintaining a bullish trend.

**ASIA & EUROPE MARKETS: JAPAN has released its National CPI figures this morning, where March Inflation was in-line with expectations of 2.7% yoy, cooling slightly from 2.8% in February.** Further from continental Europe today, market participants will be looking forward to: UK Retail Sales (Mar.), German PPI (Mar.), on the sidelines of IMF & Eurogroup meetings.

## Corporate News

**Debt Paid, Pefindo Revises Integra's (WOOD) Outlook to Stable** Pemeringkat Efek Indonesia (Pefindo) revised Integra Indocabinet's (WOOD) rating outlook to stable from negative. This action reflects that the company's liquidity position has begun to improve. This is after paying off IDR 505.32 billion in debt securities. The debt securities, in the form of Sustainable Bonds I Phase I/2021 series B IDR 407.82 billion, and Sustainable Mudharabah Sukuk I Phase I/2021 series B amounting to IDR 97.5 billion. Both debts mature on April 14, 2024. Therefore, Pefindo affirmed the idA- rating for the company, Shelf Registration Bond I, and idA-(sy) rating for Shelf Registration Sukuk Mudharabah I. The rating reflects the company's strong market position and strong market position. The rating, reflects a strong market position, well-diversified product offerings, and stable profit margins. The ratings are limited by a moderate financial profile, exposure to intense competition, and fluctuations in the United States (US) economy. The rating can be upgraded if the company further strengthens its business profile as reflected in revenue growth, and sustainable improvement in profit margins. This is in line with more conservative capital structure measures, and stronger cash flow protection. The rating could be downgraded if the company's revenue and EBITDA fall below target. Moreover, if the company adds more debt than projected, it will worsen the measures of capital structure, and cash flow protection. (Emiten News)

## Domestic Issue

**National Corporate Debt Issuance Reached IDR 26.4 Trillion, Largest from Bonds and Sukuk** In the first quarter of 2023, PT Pemeringkat Efek Indonesia (Pefindo) noted that the issuance of corporate debt securities nationwide reached IDR 26.4 trillion. In terms of sectors, Suhindarto explained that the special financial institutions sector dominated with issuances worth IDR 4.7 trillion, followed by holding companies with issuances worth IDR 3.6 trillion and the pulp and paper sector with issuances worth IDR 3.4 trillion. Then, the mining sector with an issuance worth IDR 3 trillion, followed by the telecommunications sector with an issuance worth IDR 3 trillion and the non-finance sector with an issuance worth IDR 2.8 trillion. "The purpose of using funds is mostly for working capital at 56.5 percent and refinancing at 31.2 percent," said Suhindarto. On this occasion, he said that the prospect of issuing corporate debt securities will tend to be positive this year, driven by various internal and external factors. Meanwhile, the various driving factors include maintained real sector activity, wait-and-see conditions that tend to decline, and adaptation of corporate strategies in dealing with higher for longer interest rate conditions. (VOI)

## Recommendation

**US10YT is still around the resistance region of 4.66% - 4.70% yield.** Anticipate a pullback to the nearest support which is MA10 at yield 4.533%, or if somehow the outlook for interest rate cuts can return to the surface then the following support is MA20 / current yield 4.4%. ADVISE: the yield uptrend has not been disrupted but it is better not to position too much in this yield resistance area. HOLD; WAIT & SEE.

**Meanwhile, ID10YT is getting clearer on the pullback direction after reaching the TARGET around 6.962% yield after a fairly steep rise.** Nearest support: yield 6.87% / 6.80% - 6.77%. ADVISE : reduce position.

## PRICE OF BENCHMARK SERIES

FRO090	: 96.39 (0.00%)
FRO091	: 96.66 (+0.07%)
FRO094	: <b>96.56 (-0.14%)</b>
FRO092	: <b>101.14 (-1.31%)</b>
FRO086	: 97.82 (+0.03%)
FRO087	: 97.81 (+0.05%)
FRO083	: 104.38 (+0.19%)
FRO088	: <b>95.65 (-0.14%)</b>

## CDS of Indonesia Bonds

CDS 2yr	: <b>-1.98% to 33.73</b>
CDS 5yr	: <b>-2.58% to 77.43</b>
CDS 10yr	: <b>-1.43% to 132.30</b>

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.94%	-0.03%
USDIDR	16,175	-0.28%
KRWIDR	11.78	0.72%

## Global Indices

Index	Last	Chg.	%
Dow Jones	37,775.38	22.07	0.06%
S&P 500	5,011.12	(11.09)	-0.22%
FTSE 100	7,877.05	29.06	0.37%
DAX	17,837.40	67.38	0.38%
Nikkei	38,079.70	117.90	0.31%
Hang Seng	16,385.87	134.03	0.82%
Shanghai	3,074.23	2.84	0.09%
Kospi	2,634.70	50.52	1.95%
EIDO	20.89	0.09	0.43%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,379.0	18.0	0.76%
Crude Oil (\$/bbl)	82.73	0.04	0.05%
Coal (\$/ton)	129.60	0.00	0.00%
Nickel LME (\$/MT)	18,559	321.0	1.76%
Tin LME (\$/MT)	33,979	1204.0	3.67%
CPO (MYR/Ton)	3,984	(28.0)	-0.70%

## 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)	140.40	144.00	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	3.05%	2.75%	Cons. Confidence*	123.10	125.00

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	US	19:30	Empire Manufacturing	Apr	-14.3	-5.2	-20.9
15 – Apr.	US	19:30	Retail Sales Advance MoM	Mar	0.7%	0.4%	0.6%
<b>Tuesday</b>	US	19:30	Housing Starts	Mar	1321K	1475K	1521K
16 – Apr.	US	20:15	Industrial Production MoM	Mar	0.4%	0.2%	0.1%
	CH	09:00	Industrial Production YoY	Mar	4.5%	6.0%	—
	CH	09:00	GDP YoY	1Q	5.3%	5.0%	5.2%
	CH	09:00	Retail Sales YoY	Mar	3.1%	5.3%	—
	ID	—	Consumer Confidence Index	Mar	123.8	—	123.1
<b>Wednesday</b>	EC	16:00	CPI YoY	Mar F	2.4%	—	2.6%
17 – Apr.	JP	06:50	Trade Balance	Mar	¥366.5B	—	-¥377.8B
<b>Thursday</b>	US	19:30	Initial Jobless Claims	Apr 13	212K	—	—
18 – Apr.	US	21:00	Leading Index	Mar	-0.3%	0.1%	0.1%
	US	21:00	Existing Home Sales	Mar	4.19M	4.35M	4.38M
<b>Friday</b>	JP	06:30	Natl CPI YoY	Mar	—	—	2.8%
19 – Apr.	JP	06:30	Natl CPI Ex Fresh Food YoY	Mar	—	—	3.2%

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

**Richard Jonathan Halim**

Technology, Transportation

### 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

### 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