

# Morning Brief

Daily | April 24, 2024

## Today's Outlook:

**US MARKET:** In terms of economic indicators, US Treasury yields slipped from recent highs as US economic data showed manufacturing & services activity unexpectedly weakened in April to a 4-month low due to sluggish demand. The S&P Global US Composite PMI came in at 50.9 for April, down from 52.1 in the previous month. On the other hand, the property sector is still looking strong as Building Permits increased by 1.467 million units, which was above forecasts; while New Home Sales (Mar) also recorded a growth of 8.8% mom, clearly recovering much higher from the minus 5.1% in the previous month. Today US market participants will await Durable Goods Orders (Mar) data which is also expected to grow, as well as Crude Oil Inventories which is projected to increase by another 1.7 million barrels, down from 2.735 million barrels previously.

**Speaking of PMIs, most EUROPEAN countries such as GERMANY, EUROZONE, & UK were able to move and maintain the Composite PMI into expansionary territory,** mostly helped by the more aggressive services sector rather than manufacturing. Today in Germany there will be an assessment of the German Ifo Business Climate Index (Apr) which will determine the optimism of businesses in the next 6 months.

**COMMODITIES:** OIL prices rose more than USD1/barrel on Tuesday as the US Dollar index fell to its lowest level in a week, as investors shifted their focus from the Middle East conflict to global economic indicators. BRENT experienced a 1.6% gain to USD 88.42 bpd, while US WTI appreciated 1.8% to USD 83.36 BPD. The expansive increase in business activity in continental Europe and moves from OPEC could be a support for Oil prices, while on the other hand China's economic performance is still not convincing.

**INDONESIA MARKET:** Today's highlight seems to be more about the domestic sentiment, where BI's RDG will decide the interest rates. Market players are anxious amid the thought that BI may need to raise interest rates in an effort to stabilize the RUPIAH, amid projections of US interest rate cuts that are increasingly fading. So far USD/IDR seems to pullback briefly to 16136 level from 16256 high point yesterday, supported by Indonesia's March Trade Balance surplus data which swelled to USD 4.47 billion.

## Corporate News

**Adhi Karya (ADHI) Will Release IDR 5 Trillion Bonds in Three Phases** PT Adhi Karya Tbk's (ADHI) plan to issue debt securities or bonds worth IDR 5 trillion has been approved by the company's Annual General Meeting of Shareholders (AGMS) on April 19, 2024. Launching an information disclosure on Monday (22/4), ADHI will issue bonds through a Sustainable Public Offering (PUB) starting in 2024 with a maximum period of two years. The PUB worth IDR 5 trillion will be carried out in three stages. In the first phase, ADHI will issue three series of bonds with tenors of three years, five years and seven years. Then for the second phase of the PUB issuance plan, ADHI will issue two series with tenors of three years and five years. The interest rate for the first and second bonds will refer to ADHI's credit rating. Finally, in the third phase of the PUB bond issuance, ADHI will only issue one series with a five-year tenor with a maximum interest rate referring to Adhi Karya's credit rating. ADHI management said that the plan to issue bonds or issuance of debt securities was carried out by considering the timeliness and amount of value in accordance with the needs. (Kontan)

## Domestic Issue

**State Sukuk Auction Absorbs IDR 5.07 Trillion, Far from Target** The government through the Ministry of Finance (MoF) has conducted an auction of seven series of State Sharia Securities (SBSN) or State Sukuk today (23/4). As a result, it only raised IDR 5.07 trillion. "The total incoming bid amounted to IDR 16.26 trillion, the total nominal won from the seven series offered was IDR 5.07 trillion," said the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance in its official statement, Jakarta, this afternoon. The total nominal won is less than the indicative target for the SBSN auction set by the government, which is IDR 11 trillion. The details of the Sukuk series auctioned and the nominal amount won, namely the SPNS22102024 series (new issuance) of IDR 20 billion, the SPNS20012025 series (new issuance) of IDR 1.69 trillion, and the PBS032 series (reopening) of IDR 1.05 trillion. Meanwhile, the PBS030 series (reopening) amounted to IDR80 billion, PBS004 series (reopening) the nominal amount won was IDR50 billion, PBS039 (reopening) amounted to IDR1.47 trillion, and PBS038 (reopening) amounted to IDR715 billion. (IDX Channel)

## Recommendation

**US10YT is seen breaching the MA10 support to below the yield of 4.60%.** A further decline due to the release of lower than expected US economic data, would be able to send the US Treasury YIELD pullback further, and eventually this aligns with the re-emergence of US interest rate cut expectations.

**ID10YT is challenged to maintain yield levels above 7.0%, amidst negative RSI indicator divergence, suggesting there is a potential trend reversal in sight.** Indeed, the movement of ID Treasury yield will be in accordance with the US monetary policy going forward. ADVISE: HOLD, WAIT & SEE

## PRICE OF BENCHMARK SERIES

FR0090 : 95.20 (-0.31%)  
FR0091 : 96.29 (+0.01%)  
FR0094 : 96.58 (-0.01%)  
FR0092 : 99.44 (+0.21%)

FR0086 : 97.53 (0.00%)  
FR0087 : 97.42 (-0.01%)  
FR0083 : 103.38 (-0.11%)  
FR0088 : 95.36 (-0.30%)

## CDS of Indonesia Bonds

CDS 2yr: -1.24% to 33.91  
CDS 5yr: -1.40% to 78.43  
CDS 10yr: -0.90% to 132.68

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.06%	-0.00%
USDIDR	16,220	-0.09%
KRWIDR	11.77	-0.03%

## Global Indices

Index	Last	Chg.	%
Dow Jones	38,503.69	263.71	0.69%
S&P 500	5,070.55	59.95	1.20%
FTSE 100	8,044.81	20.94	0.26%
DAX	18,137.65	276.85	1.55%
Nikkei	37,552.16	113.55	0.30%
Hang Seng	16,828.93	317.24	1.92%
Shanghai	3,021.98	(22.62)	-0.74%
Kospi	2,623.02	(6.42)	-0.24%
EIDO	21.11	0.40	1.93%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,322.0	(5.3)	-2.70%
Crude Oil (\$/bbl)	83.36	1.46	-0.39%
Coal (\$/ton)	129.75	0.25	-0.84%
Nickel LME (\$/MT)	19,006	(733.0)	2.14%
Tin LME (\$/MT)	31,938	(2540.0)	-3.10%
CPO (MYR/Ton)	3,971	27.0	0.46%

## 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)	4.47	0.87	Govt. Spending Yoy	2.81%	-3.76%
Exports Yoy	-4.19%	-9.45%	FDI (USD bn)	4.82	4.86
Imports Yoy	-12.76%	15.84%	Business Confidence	104.82	104.30
Inflation Yoy	3.05%	2.75%	Cons. Confidence*	123.80	123.10

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	11:00	Trade Balance	Mar	\$4473M	\$1100M	\$867M
22 – Apr.	ID	11:00	Exports YoY	Mar	-4.19%	-10.73%	-9.45%
	ID	11:00	Imports YoY	Mar	-12.76%	-5.30%	15.84%
	EC	21:00	Consumer Confidence	Apr P	-14.7	-14.3	-14.9
<b>Tuesday</b>	US	20:45	S&P Global US Manufacturing PMI	Apr P	49.9	51.8	51.9
23 – Apr.	US	21:00	New Home Sales	Mar	693K	670K	662K
	GE	14:30	HCOB Germany Manufacturing PMI	Apr P	42.2	43.5	41.9
	EC	15:00	HCOB Eurozone Manufacturing PMI	Apr P	45.6	46.6	46.1
	JP	07:30	Jibun Bank Japan PMI Mfg	Apr P	49.9	—	48.2
<b>Wednesday</b>	US	19:30	Durable Goods Orders	Mar P		2.8%	1.3%
24 – Apr.	KR	04:00	Consumer Confidence	Apr		—	100.7
<b>Thursday</b>	US	19:30	GDP Annualized QoQ	1Q A		2.3%	3.4%
25 – Apr.	US	19:30	Initial Jobless Claims	Apr 20		—	212K
	KR	06:00	GDP YoY	1Q A		2.6%	2.2%
<b>Friday</b>	US	19:30	Personal Income	Mar		0.5%	0.3%
26 – Apr.	US	19:30	Personal Spending	Mar		0.6%	0.8%
	US	21:00	U. of Mich. Sentiment	Apr F		77.9	77.9
	EC	15:00	M3 Money Supply YoY	Mar		0.5%	0.4%
	JP	06:30	Tokyo CPI Ex-Fresh Food YoY	Apr		2.2%	2.4%
	JP	—	BOJ Target Rate (Upper Bound)	Apr 26		—	0.10%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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