

Morning Brief

Daily | April 29, 2024

Today's Outlook:

US MARKETS: US Commerce Department data showed benchmark Inflation rose moderately in March on an annualized basis while being in line with estimates on a monthly basis. The report provided some relief to financial markets gripped by stagflation fears a day after data showed inflation surged but economic growth slowed in the first quarter. The PERSONAL CONSUMPTION EXPENDITURES (PCE) PRICE INDEX rose 0.3% in March, in line with forecasts by economists polled by Reuters. In the 12 months to March, PCE Inflation rose 2.7% versus expectations of 2.6%. Following the data, money markets priced in a possible Federal Reserve rate cut in September. The 10-year US TREASURY YIELD fell after the data, last at 4.6630% at the end of Thursday. The 2-year yield, which typically moves in line with interest rate expectations, fell 0.5 basis points to 4.9934%, from 4.998%. Overall, world equity markets are set to end the month lower, as hopes of a Fed rate cut in the near future have receded following a string of strong US economic data readings. US Treasury Secretary JANET YELLEN told Reuters on Thursday that currency intervention was acceptable only in "rare" situations and that market forces should determine the exchange rate. Yellen also said that US economic growth was likely stronger than predicted by weaker-than-expected first quarter production data.

ASIA & EUROPE MARKETS: while the JAPANESE YEN slumped to a 34-year low after the Bank of Japan (BOJ) maintained loose monetary policy. The dollar reached 158.275 yen, the highest since June 1990. The Bank of Japan kept interest rates at around zero at its policy meeting, despite forecasting inflation of around 2% over three years. Market participants are waiting for the Japanese authorities to prop up the currency, in an unconventional and politically difficult decision. BOJ Governor Kazuo Ueda said on Friday that exchange rate volatility could significantly impact the economy. MSCI's index of worldwide stocks also rose 0.90%; the benchmark EUROPEAN stock index recorded its biggest daily gain in more than three months, closing up 1.2%, driven by gains in banking and industrial stocks. Today comes the preliminary German CPI (Apr.) estimate at 2.3% yoy, up moderately from March's 2.2%.

COMMODITIES: OIL prices ended in positive territory on Friday, snapping a 2-week losing streak after shrugging off Dollar strength following Inflation data that was in-line with expectations, amid continued geopolitical tensions. BRENT futures contract prices rose 0.3% to USD 89.85/barrel, while US WTI gained 0.4% to USD 89.38/barrel. Oil prices rose in recent sessions as data showed US inventory stocks shrank more than expected in the past week, indicating a tightening global oil market. Concerns over Middle East supply disruptions also emerged as Israel stepped up its attacks on Gaza. Although a direct war with Iran did not materialize, the Israel-Hamas conflict shows no signs of ending soon. The US is also planning to mobilize more military aid to Israel after President Joe Biden approved a bill to that effect earlier this week. Due to the lack of escalation in the Israel - Iran War oil prices are trading well below the 5-month highs reached in early April, although some elements of the risk premium will continue to influence oil prices, helping to support the benchmark oil price against fears of weakening global demand.

Today INDONESIA investors will be looking forward to Foreign Direct Investment data which growth will be compared to the last position of 5.3%.

Corporate News

WOM Finance Mentioned 63% of Funding Sources from Banks, the Rest is Bonds The majority of PT Wahana Ottomitra Multiartha Tbk's (WOM Finance) funding sources are still from bank loans. Apart from bank loans, WOM also relies on bond issuance as a source of funding. WOM Finance Finance Director Cincin Lisa said that as of March 31, 2024, 63% of funding sources were still from banks and the remaining 37% from bond issuance. "Both funding sources are carried out for funding with competitive interest rates and as a form of company diversification," Cincin told Kontan.co.id, last Friday (26/4). (Kontan)

Domestic Issue

Bonds and Sukuk on the IDX Reach IDR 37.36 Trillion by April 2024 The Indonesia Stock Exchange (IDX) recorded 33 bond and sukuk issuances from 25 issuers with a value of IDR 37.36 trillion until the end of April 2024. Total bond and sukuk issuances recorded on the IDX amounted to 551 emissions with an outstanding nominal value of IDR 465.05 trillion and USD 46.1485 million, issued by 129 issuers. Government Securities (SBN) listed on the IDX amounted to 186 series with a nominal value of IDR 5,774.51 trillion and USD 502.10 million. In addition, the IDX has recorded 10 EBA emissions with a value of IDR 3.05 trillion. Based on the IDX report, Saturday (27/4/2025), during the week there were 2 bond listings on the IDX. On Monday (22/4/2024), JACCS MPM Finance Indonesia Phase III Sustainable Bonds I Year 2024 issued by PT JACCS Mitra Pinasthika Mustika Finance was listed on the IDX with a principal value of IDR 500 billion. The rating result from PT Fitch Ratings Indonesia on the bonds is idAA (Double A) with Trustee PT Bank Rakyat Indonesia (Persero) Tbk. Then on Wednesday (24/4/2024), Astra Sedaya Finance Phase III Sustainable Bonds VI of 2024 issued by PT Astra Sedaya Finance Began to be listed on the IDX with a principal value of IDR 2.5 trillion. The rating result from PT Fitch Ratings Indonesia on the bonds is AAA (idn) (Triple A). (IDX Channel)

Recommendation

US10YT is still around resistance area at 4.70%-4.74% yield with RSI NEGATIVE DIVERGENCE indication, suggesting SELL ON STRENGTH action is more appropriate at this time, or at least set your TRAILING STOP by using MA10 as the nearest support at 4.64% yield (= start reducing position if yield closed below that level). Unexpected strengthening will at most only bring yield to the upper channel resistance level around 4.78%-4.80%.

ID10YT is still determined to continue to its latest 6-month high, at the current yield level of 7.207%, further away from the nearest support: MA10 / yield 7.005%. ADVISE : let your profit run to TARGET level from previous High last Oct at 7.30% ; while not forgetting to apply a TRAILING STOP.

PRICE OF BENCHMARK SERIES

FRO090 : 95.06 (-0.21%)

FRO091 : 95.55 (-0.45%)

FRO094 : 96.25 (-0.33%)

FRO092 : 99.77 (-0.07%)

FRO086 : 98.01 (-0.07%)

FRO087 : 96.52 (-0.31%)

FRO083 : 103.03 (-0.10%)

FRO088 : 92.93 (-0.16%)

CDS of Indonesia Bonds

CDS 2yr: -2.91% to 33.98

CDS 5yr: -1.87% to 78.45

CDS 10yr: -2.49% to 132.46

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.18%	0.08%
USDIDR	16,210	0.14%
KRWIDR	11.79	0.08%

Global Indices

Index	Last	Chg.	%
Dow Jones	38,239.66	153.86	0.40%
S&P 500	5,099.96	51.54	1.02%
FTSE 100	8,139.83	60.97	0.75%
DAX	18,161.01	243.73	1.36%
Nikkei	37,934.76	306.28	0.81%
Hang Seng	17,651.15	366.61	2.12%
Shanghai	3,088.64	35.74	1.17%
Kospi	2,656.33	27.71	1.05%
EIDO	20.31	(0.55)	-2.64%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,338.0	5.5	0.24%
Crude Oil (\$/bbl)	83.85	0.28	0.34%
Coal (\$/ton)	129.75	0.50	0.39%
Nickel LME (\$/MT)	19,100	(57.0)	-0.30%
Tin LME (\$/MT)	32,411	(461.0)	-1.40%
CPO (MYR/Ton)	3,896	22.0	0.57%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	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
Monday	GE	19:00	CPI YoY	Apr P		2.3%	2.2%
29 – Apr.	—	—	—	—	—	—	—
Tuesday	US	20:45	MNI Chicago PMI	Apr		45.0	41.4
30 – Apr.	US	21:00	Conf. Board Consumer Confidence	Apr		104.1	104.7
	CH	08:30	Manufacturing PMI	Apr		—	50.8
	CH	08:45	Caixin China PMI Mfg	Apr		—	51.1
	GE	14:55	Unemployment Change (000's)	Apr		—	4.0K
	EC	16:00	CPI MoM	Apr P		0.6%	0.8%
	KR	06:00	Industrial Production YoY	Mar		5.5%	4.8%
Wednesday	US	18:00	MBA Mortgage Applications	Apr 26		—	-2.7%
1 – May	US	19:15	ADP Employment Change	Apr		185K	184K
	US	20:45	S&P Global US Manufacturing PMI	Apr F		49.9	49.9
	US	21:00	ISM Manufacturing	Apr		50.1	50.3
	KR	07:00	Trade Balance	Apr		\$2,340M	\$4,291M
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	May 1		5.50%	5.50%
2 – May	US	01:00	FOMC Rate Decision (Lower Bound)	May 1		5.25%	5.25%
	US	19:30	Trade Balance	Mar		-\$69.0B	-\$68.9B
	US	19:30	Initial Jobless Claims	Apr 27		—	207K
	US	21:00	Factory Orders	Mar		1.6%	1.4%
	US	21:00	Durable Goods Orders	Mar F		—	2.6%
	ID	07:30	S&P Global Indonesia PMI Mfg	Apr		—	54.2
	ID	11:00	CPI YoY	Apr		3.10%	3.05%
	KR	06:00	CPI YoY	Apr		3.0%	3.1%
	KR	07:30	S&P Global South Korea PMI Mfg	Apr		—	49.8
Friday	US	19:30	Change in Nonfarm Payrolls	Apr		250K	303K
3 – May	US	19:30	Unemployment Rate	Apr		3.8%	3.8%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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