

Morning Brief

Daily | May 13, 2024

Today's Outlook:

US MARKETS: The US Dollar turned slightly higher after investors assessed US consumer sentiment readings and sifted through comments from Fed officials. The University of Michigan's preliminary reading of consumer sentiment came in at 67.4 for May, a six-month low and below the 76.0 estimate of economists polled by Reuters. In addition, the one-year inflation expectation climbed to 3.5% from 3.2%. The dollar index, which measures the U.S. currency against a basket of six peers, gained 0.07% to 105.29. The euro slid 0.1% to USD 1.077, while the yen weakened 0.17% to 155.74 per dollar. The pound posted a modest weekly loss after the Bank of England on Thursday paved the way for the start of rate cuts as soon as next month and data showed the British economy exited a mild recession in the first quarter of this year. Markets await both next week's PPI and the CPI for signs that U.S. inflation has resumed its downward trend toward the Fed's 2% target rate. Hotter-than-expected inflation reports last month had quashed any lingering expectations of near-term U.S. rate cuts. But markets are now fully pricing in a cut only in November, while chances of the Fed moving in September have narrowed. Treasury yields rose as traders waited on next week's key April inflation data to guide expectations of Fed monetary policy. The yield on benchmark 10-year Treasury notes rose 5.1 basis points to 4.5%, while the two-year yield, which typically moves in step with interest rate expectations, rose 6.3 basis points to 4.8698%.

EUROPEAN MARKETS: In contrast, markets now imply a 50-50 chance of a BANK OF ENGLAND rate cut in June and are almost fully priced-in for August. They also imply an 88% chance that the EUROPEAN CENTRAL BANK will ease monetary policy in June. BOE Governor Andrew Bailey said that there may be more reductions than investors expect; this is the latest sign of the growing divergence between the European and US interest rate outlook. Investors are currently anticipating around 42 bps of pivots this year from the Fed. In comparison, traders expect a 55 bps easing from the BoE this year, while anticipating a 68 bps cut from the ECB.

COMMODITIES: OIL prices fell about USD 1 per barrel as comments from Fed officials indicated higher interest rates for a longer period of time, which could hamper demand from the world's largest crude consumer. US WTI crude futures fell USD 1.00 to USD 78.26 per barrel and BRENT fell USD 1.09 to USD 82.79 per barrel. GOLD prices rose, heading for its best week in five, with bullion building momentum fueled by weaker US jobs data last week that strengthened expectations for the Federal Reserve to cut interest rates this year. US Gold Futures for June delivery closed 1.5% higher at USD 2,375.00 an ounce.

Corporate News

Timah (TINS) Loses, Facing a Bonds-Sukuk Maturity of IDR 806 B The performance of PT Timah Tbk (TINS), which suffered a loss of IDR 449 billion in the 2023 financial year and bonds and sukuk that will mature in 2024, is a strong reason for the company not to distribute dividends this year. Based on data from the Indonesian Central Securities Depository (KSEI), the issuer coded TINS shares will face maturing bonds and Sukuk with a total value of Rp 806 billion in August. The maturing bonds come from the Sustainable Bonds I Timah Phase II Year 2019 Series B. Meanwhile, the Sukuk comes from the Sustainable Sukuk Ijarah I Timah Phase II Year 2019 with an interest rate of 8.75% each. President Director of PT Timah Tbk Ahmad Dani Virsal revealed that the company's performance in fiscal year 2023 has provided many new insights, especially to improve performance in the following years. (Bisnis)

Domestic Issue

2024, IDX Records Total Bond and Sukuk Issuance of Almost IDR 40 T The Indonesia Stock Exchange (IDX) recorded total bond and sukuk issuances throughout 2024 or until this May amounting to IDR 39.68 trillion. This figure comes from 37 emissions from 27 issuers listed so far this year. Thus, the total bond and sukuk emissions recorded on the IDX currently amount to 552 emissions with a total nominal outstanding value of IDR 461.84 trillion and USD 46.1 million issued by 130 issuers, based on an official IDX statement. Meanwhile, Government Securities (SBN) were recorded at 186 series with a nominal value of IDR 5,986.87 trillion and USD 501.10 million. Meanwhile, the total EBA emissions were recorded at 10 with a total nominal value of IDR 3.05 trillion. At the beginning of last week, the IDX itself recorded 1 bond, 1 sukuk, and 2 new stocks. (Bloomberg Technoz)

Recommendation

US10YT awaits the trigger of US CPI & PPI figures to determine if a technical rebound can be created in the lower channel support area - current uptrend. Nearest resistance: MA10 / yield 4.5%. A break of that level will bring the US10YT yield back up towards the TARGET: MA20 / yield 4.57%, or yield 4.66% - 4.70%.

ID10YT stopped its technical rebound at MA10 resistance or close to 7.10% yield. ADVISE : wait for breakout direction before deciding positioning. Support: MA20 at yield 6.99% - 7.0% psychological support level.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	6.00%	Real GDP	5.11%	5.04%
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	19.90%	2.81%
Exports Yoy	-3.75%	-9.45%	FDI (USD bn)	4.82	4.86
Imports Yoy	-12.76%	15.84%	Business Confidence	104.82	104.30
Inflation Yoy	3.00%	3.05%	Cons. Confidence*	123.80	123.10

PRICE OF BENCHMARK SERIES

FR0090 : 95.59 (+0.20%)
FR0091 : 96.61 (-0.03%)
FR0094 : 96.06 (0.00%)
FR0092 : 101.32 (+1.64%)

FR0086 : 97.93 (+0.08%)
FR0087 : 97.90 (-0.12%)
FR0083 : 104.51 (+0.13%)
FR0088 : 95.13 (+0.00%)

CDS of Indonesia Bonds

CDS 2yr: -0.32% to 34.27

CDS 5yr: -1.57% to 71.98

CDS 10yr: -0.28% to 124.82

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.97%	0.04%
USDIDR	16,045	-0.02%
KRWIDR	11.76	-0.38%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,512.84	125.08	0.32%
S&P 500	5,222.68	8.60	0.16%
FTSE 100	8,433.76	52.41	0.63%
DAX	18,772.85	86.25	0.46%
Nikkei	38,229.11	155.13	0.41%
Hang Seng	18,963.68	425.87	2.30%
Shanghai	3,154.55	0.23	0.01%
Kospi	2,727.63	15.49	0.57%
EIDO	20.48	(0.12)	-0.58%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,360.5	14.2	0.60%
Crude Oil (\$/bbl)	78.26	(1.00)	-1.26%
Coal (\$/ton)	144.40	(0.55)	-0.38%
Nickel LME (\$/MT)	18,952	(81.0)	-0.43%
Tin LME (\$/MT)	32,093	(491.0)	-1.51%
CPO (MYR/Ton)	3,809	(22.0)	-0.57%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	—	Consumer Confidence Index	Apr	—	—	123.8
13 – May	JP	06:50	Money Stock M2 YoY	Apr	—	—	2.5%
Tuesday	US	19:30	PPI Final Demand MoM	Apr	0.3%	0.3%	0.2%
14 – May	GE	13:00	CPI YoY	Apr F	—	—	2.2%
	JP	06:50	PPI YoY	Apr	—	—	0.8%
Wednesday	US	19:30	Empire Manufacturing	May	-10.0	-10.0	-14.3
15 – May	US	19:30	CPI YoY	Apr	3.4%	3.4%	3.5%
	US	19:30	Retail Sales Advance MoM	Apr	0.4%	0.4%	0.7%
	EC	16:00	GDP SA YoY	1Q P	—	—	0.4%
	ID	11:00	Imports YoY	Apr	—	—	-12.76%
	ID	11:00	Exports YoY	Apr	—	—	-3.75%
	ID	11:00	Trade Balance	Apr	—	—	\$4,473M
Thursday	US	19:30	Initial Jobless Claims	May 11	—	—	—
16 – May	US	19:30	Housing Starts	Apr	1,438K	1,438K	1,321K
	US	20:15	Industrial Production MoM	Apr	0.2%	0.2%	0.4%
	JP	06:50	GDP Annualized SA QoQ	1Q P	-1.6%	-1.6%	0.4%
	JP	11:30	Industrial Production MoM	Mar F	—	—	3.8%
Friday	US	21:00	Leading Index	Apr	-0.2%	-0.2%	-0.3%
17 – May	CH	09:00	Industrial Production YoY	Apr	5.4%	5.4%	4.5%
	CH	09:00	Retail Sales YoY	Apr	3.9%	3.9%	3.1%
	EC	16:00	CPI YoY	Apr F	—	—	2.4%
	KR	06:00	Unemployment rate SA	Apr	—	—	2.8%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

Published on Investing.com, 13 May 2024 - 1:16:55 GMT, Powered by TradingView.
United States 10 Year, United States, NYSE:US10YT=X, D



Indonesia 10 Years Treasury

Published on Investing.com, 13 May 2024 - 1:17:56 GMT, Powered by TradingView.
Indonesia 10 Year, Indonesia, Jakarta:ID10YT=RR, D



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
T +62 21 5088 ext 9128
E Richard.jonathan@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

Member of Indonesia Stock Exchange

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

Telp : +62 22 860 22122

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

Telp : +62 411 360 4650

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