

# Morning Brief

Daily | Mei 2, 2024

## Today's Outlook:

**ECONOMIC INDICATORS:** Earlier, data from ADP Employment Change showed employment in the US private sector increased more than estimated in April, while data for the previous month was revised higher. However, a separate report from the Bureau of Labor Statistics on JOLTS (Job Openings and Labor Turnover Survey) showed job openings in the US fell to the lowest level in three years in March, while the number of people quitting their jobs declined, which is an indication of a reduced labor pool that could potentially help the Fed in its fight against inflation. Other data from the Institute for Supply Management showed continued sluggishness in the US manufacturing sector, which contracted in April amid falling orders after having expanded the previous month. All of these data come ahead of Friday's main government employment report (Nonfarm Payrolls). Markets have reduced expectations regarding the timing and number of rate cuts by the central bank this year, as inflation proves to be stable and the labor market remains on a strong footing. Bank of America maintains their view that the first rate cut will occur in December on the premise that inflation will still be high and difficult to fall. They also considered the possibility of interest rates rising still quite high, although Powell had expressed that there was little probability of that happening. MSCI's worldwide stock index fell 0.94 points, or 0.12%, to 755.67. Investors were also treated to a flood of Q1 earnings reports from US companies, with Amazon.com up around 3% after its quarterly results, which served to prop up the Dow Jones as a whole.

**The DOLLAR index was down 0.21% at 106.10**, following the Fed's statement, having earlier reached 106.49, the highest since April 16; with the Euro gaining 0.22% at USD 1.0688. The yield on the benchmark US 10-year note fell 5.2 basis points to 4.632%, from 4.684% at the end of Tuesday; while the yield on the 2-year note, which typically moves with interest rate expectations, fell 4.8 basis points to 4.9977%. European bond markets were closed for the May 1 holiday, as were most stock markets in Europe and in China, Hong Kong, and most of Asia. Of the traded stock markets, the UK FTSE ended down 0.28%, and Japan's Nikkei closed down 0.34%.

**COMMODITIES:** Oil prices fell for a third day on rising hopes for a ceasefire agreement in the Middle East and continued declines after the surprise report on US oil stockpiles by the EIA, which jumped by 7.3 million barrels in the week ended April 26, well above Reuters polled analysts' forecasts where they predicted a 1.1 million barrel decline. Each of the benchmark prices fell more than 3% to a 7-week low. US WTI crude oil slid 3.54% to USD 79.03/barrel and BRENT fell to USD 83.49/barrel, dropping 3.29%.

## Corporate News

**BNI Conveys Steps to Deal with Global Geopolitics and Interest Rate Hikes.** President Director of PT Bank Negara Indonesia or BNI (Persero), Royke Tumilair revealed the company's steps in dealing with global geopolitical developments, exchange rates, inflationary pressures, and interest rates. "With optimism for Indonesia's macroeconomic conditions which remain healthy and stable, BNI believes that the steps that have been taken will continue to support BNI's business growth in a sustainable manner," Royke said in an online press conference exposing BNI's first quarter 2024 performance on Monday, April 29, 2024. He said, BNI had taken prudent and strategic steps in managing liquidity conditions. Especially foreign currency funding through the collection of third party funds (DPK) with efficient policies. On April 5, 2024, BNI has issued global bonds worth USD 500 million or around IDR 7.95 trillion. The issuance of global bonds with a 5-year tenor, said Royke, received a positive response from global investors. This is indicated by the excess demand of up to 6.4 times the planned value issued. "The high confidence of global investors has enabled BNI to reduce the bond yield to only 5.3 percent." Royke said that BNI obtained an optimal price because the global bond issuance was carried out before fluctuations in the USD exchange rate against the rupiah occurred. This step aims to manage the risk of exchange rate fluctuations and lock in some of BNI's foreign exchange funding needs. (Tempo)

## Domestic Issue

**Good News for Indonesia! Foreign Interest in SUN Auction Increases Four Times Higher.** Foreign interest in the auction of Government Securities (SUN), last Tuesday (30/4/2024), skyrocketed four times to more than IDR 8 trillion. Through the Bank Indonesia (BI) auction system, the government has conducted an auction of Rupiah-denominated SUN to fulfill part of the financing target in the 2024 State Budget. There were seven series auctioned, namely SPN03240801 (new issuance), SPN12250502 (new issuance), FR0101 (reopening), FR0100 (reopening), FR0098 (reopening), FR0097 (reopening) and FR0102 (reopening). Incoming bids that entered the auction this time shot up to 55.24% reaching IDR 50.19 trillion. However, only IDR 21.5 trillion was absorbed, this value being the lowest since the beginning of the year. Even so, the government absorbed a hefty foreign portion of up to IDR 4.30 trillion. This value is up 69.29% compared to the auction a month ago. Incoming foreign interest also skyrocketed fourfold, from IDR 2.93 trillion to IDR 8.81 trillion. Examining further into foreign interest, in this auction foreigners did not look at short-term one-year tenor bonds at all, for three-month tenors, foreign interest also only entered IDR 700 billion. (CNBC Indonesia)

## Recommendation

**US10YT is still trying to dwell around the previous High level of 4.70% yield**, although now it has appeared to test the MA10 & MA20 Support around the yield range: 4.644% - 4.60%. A break below that level will drag the yield down further to the following Support: yield 4.50%, or the lower channel area around 4.40%. ADVISE : prepare to reduce position, set your TRAILING STOP. ID10YT is trying to hold its 6-month high around the 7.3% yield level. **RSI that has entered the Overbought territory is not a reason to stop the bullishness on SBN yield, which is quite far from the first Support which is MA10 / yield 7.10%. It seems that ID10YT yield above 7.0% will be the new normal for some time. ADVISE: set your TRAILING STOP.**

## 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

## PRICE OF BENCHMARK SERIES

FR0090	: 95.17 (+0.22%)
FR0091	: 95.29 (-0.10%)
FR0094	: 96.06 (-0.19%)
FR0092	: 99.67 (-0.04%)
FR0086	: 97.50 (+0.58%)
FR0087	: 96.34 (-0.02%)
FR0083	: 102.83 (-0.10%)
FR0088	: 92.85 (-0.09%)

## CDS of Indonesia Bonds

CDS 2yr	: +8.56% to 35.93
CDS 5yr	: +1.72% to 76.85
CDS 10yr	: -0.77% to 128.75

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.25%	0.02%
USDIDR	16,260	0.03%
KRWIDR	11.76	-0.29%

## Global Indices

Index	Last	Chg.	%
Dow Jones	37,815.92	(570.17)	-1.49%
S&P 500	5,035.69	(80.48)	-1.57%
FTSE 100	8,144.13	(2.90)	-0.04%
DAX	17,932.17	(186.15)	-1.03%
Nikkei	38,405.66	470.90	1.24%
Hang Seng	17,763.03	16.12	0.09%
Shanghai	3,104.82	(8.22)	-0.26%
Kospi	2,692.06	4.62	0.17%
EIDO	20.77	0.08	0.39%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,286.3	(49.4)	-2.12%
Crude Oil (\$/bbl)	81.93	(0.70)	-0.85%
Coal (\$/ton)	142.25	4.85	3.53%
Nickel LME (\$/MT)	19,238	90.0	0.47%
Tin LME (\$/MT)	31,216	(1350.0)	-4.15%
CPO (MYR/Ton)	3,818	(97.0)	-2.48%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 29 – Apr.	GE	19:00	CPI YoY	Apr P	2.2%	2.3%	2.2%
<b>Tuesday</b> 30 – Apr.	US	20:45	MNI Chicago PMI	Apr	37.9	45.0	41.4
	US	21:00	Conf. Board Consumer Confidence	Apr	97.0	104.0	104.7
	CH	08:30	Manufacturing PMI	Apr	50.4	50.3	50.8
	CH	08:45	Caixin China PMI Mfg	Apr	51.4	51.0	51.1
	GE	14:55	Unemployment Change (000's)	Apr	10.0K	8.0	6.0K
	EC	16:00	CPI MoM	Apr P	0.6%	0.6%	0.8%
	KR	06:00	Industrial Production YoY	Mar	0.7%	4.6%	4.6%
<b>Wednesday</b> 1 – May	US	18:00	MBA Mortgage Applications	Apr 26	-2.3%	—	-2.7%
	US	19:15	ADP Employment Change	Apr	192K	183K	184K
	US	20:45	S&P Global US Manufacturing PMI	Apr F	50.0	49.9	49.9
	US	21:00	ISM Manufacturing	Apr	49.2	50.0	50.3
	KR	07:00	Trade Balance	Apr	\$1,500M	\$1,000M	\$4,291M
<b>Thursday</b> 2 – May	US	01:00	FOMC Rate Decision (Upper Bound)	May 1		5.50%	5.50%
	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
<b>Friday</b> 3 – May	US	19:30	Change in Nonfarm Payrolls	Apr		250K	303K
	US	19:30	Unemployment Rate	Apr		3.8%	3.8%

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 Nurfalih**

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 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 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