

Morning Brief

Daily | May 7, 2024

Today's Outlook:

EARNINGS SENTIMENT: Warren Buffett's Berkshire Hathaway B rose 1% after reporting quarterly results at the weekend that reported a 40% jump in Q1 operating profit from a year earlier. Super Micro Computer Inc and Micron Technology Inc rose more than 6% and 4% respectively, helping to lift the overall semiconductor sector.

ASIA & EUROPE MARKETS: CHINA released their Caixin Services PMI in-line with expectations at 52.5 in April, still holding in expansionary territory; similarly the Composite PMI and Services PMI for GERMANY & EUROZONE. The Eurozone also reported Inflation rates in their producer sector which remained in deflationary territory at -7.8% yoy in March, the pace of price declines slowing slightly from -8.5% in the previous month. As for today, market participants will keep an eye on the Service sector PMI report in Japan, housing prices in the UK, Factory Orders (Mar.) in Germany, and a number of Construction PMI (Apr.) in the European region; as well as Retail Sales (Mar.) in the Eurozone.

INDONESIA: GDP grew by 5.11% yoy in the first quarter of 2024 supported by public & government spending. This was higher than the market forecast of 5.0% and after an increase of 5.04% in the fourth quarter of 2023. This was the fastest economic growth since the second quarter of 2023. While on a quarterly basis GDP shrank by 0.83% qoq, compared to the market forecast of 0.89% decline and after 0.45% growth in the previous quarter, was the first quarterly contraction in four quarters. The good news above closed the JCI in positive territory, although it only slightly strengthened 1.17 points to 7135.89 still followed by a significant foreign net sell of IDR 1.18 trillion. The Rupiah exchange rate strengthened 69 points to IDR 16025/USD.

Corporate News

Sukuk Paid Off, Pefindo Raises Wijaya Karya (WIKA) Rating to idBBB- Pemeringkat Efek Indonesia (Pefindo) raised Wijaya Karya's (WIKA) rating to idBBB- from idSD. The latest rating is presented with a stable outlook. The rating action reflects the success of the company's corporate actions. Yes, the company has paid off the full principal payment of Sukuk Mudharabah I Phase I Series A amounting to IDR184 billion on April 29, 2024. Where, previously the sukuk had failed to be paid on December 18, 2023. In addition, the rating action also reflects the State Capital Injection (PMN) from the government received on April 22, 2024. The government's action indicates the government's strong support for the company when it is experiencing financial difficulties. At the same time, Pefindo also upgraded WIKA's Sustainable Bonds (SR) I, II, III to idBBB- from idCCC and SR Sukuk Mudharabah I, II, III to dBBB-(sy) from idCCC(sy). (Emiten News)

Domestic Issue

SBSN Auction Results Monday (6/5/2024), Government Receives IDR 7.02 Trillion. The Directorate General of Financing and Risk Management of the Ministry of Finance (DJPPR Kemenkeu) has conducted an auction of State Sharia Securities (SBSN) on Monday (6/5/2024). The nominal won amounted to IDR 7.02 trillion to meet part of the financing target in the 2024 State Budget. Meanwhile, the SBSN auctioned yesterday were 7 series consisting of 2 State Treasury Securities-Syariah (SPN-S) and 5 Project Based Sukuk (PBS). Meanwhile, the total incoming bid amounted to IDR 15.99 trillion. In detail, the SPN-S series auctioned are SPNS18112024 and SPNS02022025 with a discount coupon rate and maturity on November 18, 2024 and February 2, 2025 respectively. The SPN-S series has a non-competitive purchase allocation of a maximum of 75% of all auctions won. Meanwhile, the Project Based Sukuk series to be auctioned is offered in 5 series, namely PBS032, PBS030, PBS004, PBS038 and PBSG001. The tenor of the Project Based Sukuk offered also varies from 2 years to 25 years, and coupon rates ranging from 4.87% to 6.87%. The PBS series has a non-competitive purchase allocation at a maximum of 30% of the entire auction won. (Bisnis)

Recommendation

US10YT has been predicted yesterday to head towards the Support lower channel around yield 4.40%; but even if that happens it has not broken the uptrend that occurred since the beginning of the year. ADVISE: BUY ON WEAKNESS. Resistance: intersection of MA10 & MA20 around yield 4.60%.

ID10YT hit the MA20 Support at yesterday's low, or at a yield of 6.958%; as well as having reached the 50% Fibonacci retracement (the most common retracement be it up/down). ADVISE: watch for technical rebound. Nearest resistance: MA10 / yield 7.118%; if unable to break above that level then ID10YT may have a little trouble maintaining this upward swing.

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 : 94.83 (-1.72%)
FR0091 : 96.69 (+0.66%)
FR0094 : 96.06 (0.00%)
FR0092 : 101.32 (+0.94%)

FR0086 : 97.73 (+0.12%)
FR0087 : 97.99 (+0.70%)
FR0083 : 104.01 (+0.36%)
FR0088 : 93.79 (+1.21%)

CDS of Indonesia Bonds

CDS 2yr: -1.64% to 33.33

CDS 5yr: -2.08% to 70.63

CDS 10yr: -1.31% to 122.09

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.90%	-0.27%
USDIDR	16,025	-0.37%
KRWIDR	11.79	-0.02%

Global Indices

Index	Last	Chg.	%
Dow Jones	38,852.27	176.59	0.46%
S&P 500	5,180.74	52.95	1.03%
FTSE 100	8,213.49	41.34	0.51%
DAX	18,175.21	173.61	0.96%
Nikkei	38,236.07	(37.98)	-0.10%
Hang Seng	18,578.30	102.38	0.55%
Shanghai	3,140.72	35.90	1.16%
Kospi	2,676.63	(7.02)	-0.26%
EIDO	20.99	0.05	0.24%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,324.0	22.2	0.97%
Crude Oil (\$/bbl)	78.48	0.37	0.47%
Coal (\$/ton)	145.30	0.15	0.10%
Nickel LME (\$/MT)	19,237	589.0	3.16%
Tin LME (\$/MT)	31,983	1013.0	3.27%
CPO (MYR/Ton)	3,862	18.0	0.47%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	11:00	GDP YoY	1Q	5.11%	5.08%	5.04%
6 – May	ID	11:00	GDP QoQ	1Q	-0.83%	-0.86%	0.45%
Tuesday	CH	—	Foreign Reserves	Apr	—	—	\$3245.6B
7 – May	EU	13:00	Factory Orders MoM	Mar	-0.2%	-0.2%	0.2%
	KR	04:00	Foreign Reserves	Apr	—	—	\$419.25B
Wednesday	US	18:00	MBA Mortgage Applications	May 3	—	—	-2.3%
8 – May	ID	10:00	Foreign Reserves	Apr	—	—	\$140.40B
	EU	13:00	Industrial Production SA MoM	Mar	-1.0%	-1.0%	2.1%
Thursday	US	19:30	Initial Jobless Claims	May 4	—	—	208K
9 – May	CH	—	Trade Balance	Apr	—	—	\$58.55B
	KR	06:00	BoP Current Account Balance	Mar	—	—	\$6858.3B
Friday	US	21:00	U. of Mich. Sentiment	May P	—	77.0	77.2
10 – May	—	—	—	—	—	—	—

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
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

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