

Today's Outlook:

**US MARKETS:** The latest data showing a weakening US labor market increased expectations of an imminent interest rate cut in September. Labor Department data showed US job growth slowed marginally in June, with US Nonfarm Payrolls revealing public sector job additions of 206k in June, albeit above expectations of 191k but down from 218k in May. Meanwhile, the Unemployment Rate (June) rose 0.1% to 4.1%, which is the highest level in more than 2.5 years; while the increase in Average Hourly Wage slowed down, with the percentage growing 0.3% mom in June, down from 0.4% in the previous month. The data, which complemented last week's US labor report, made the market reckon the chances of the US central bank easing policy in September jumped to 79%, from 66% seen before the data, according to the CME FedWatch Tool. EARNING SEASON: Shares of major US banks fell ahead of second-quarter corporate earnings reports starting next Friday. As noted, higher interest rates and an uncertain economic environment cast a shadow over US bank earnings.

**ASIA & EUROPE MARKETS:** Major stock markets in Europe rallied on Friday, as investors digested the results of the UK General Election, where the opposition Labor party posted a legislative election victory, ending the Conservatives' 14-year rule. In terms of economic indicators, German Industrial Production tumbled 2.5% in May, while the same data in France slumped 2.1%, revealing the weak economic performance in the Eurozone region heading into the summer months. The UK housing sector was equally unhealthy, with housing prices falling below expectations; Eurozone retail sales were similarly in a downward trend.

**COMMODITIES:** Crude OIL prices eased on Friday, but were on a positive track for the fourth consecutive week on hopes of strong summer fuel demand in the US. US WTI futures traded 0.4% lower at USD 83.71/barrel, while the BRENT contract dropped 0.3% to USD 87.15/barrel. Oil rose last week on expectations of strong summer demand in the United States, the world's largest oil consumer, with official data from the Energy Information Agency (EIA) showing that US crude and fuel stocks fell more than expected last week. Market sentiment also received support last week with rising geopolitical tensions in the Middle East, plus the threat of Hurricane Beryl in the Gulf of Mexico.

**INDONESIA:** This Monday, Consumer Confidence (Jun) data will more or less determine market interest.

Corporate News

**SGER: IDR 1T Bond Release, Here's Pefindo's Explanation**

PEFINDO assigned an idA- rating to PT Sumber Global Energy Tbk (SGER) and the plan to issue Shelf Registration Bonds I worth a maximum of IDR 1 trillion. The outlook on the company's rating is stable. SGER plans to issue Shelf Registration Bonds I Phase I with a maximum value of IDR 500 billion, which will be used for debt repayment (25%) and working capital financing (75%). The rating reflects SGER's conservative financial policy as well as its conservative capital structure and strong cash flow protection. However, the rating is constrained by limited product diversification and moderate financial flexibility. The rating could be upgraded if SGER is able to strengthen its business profile by further diversifying its products to reduce exposure to coal, while still maintaining stable profit margins, which will have a positive impact on the company's financial profile and financial flexibility. (Emiten News)

Domestic Issue

**IDX Records Corporations Raising Bonds up to IDR 63 Trillion Throughout 2024**

The Indonesia Stock Exchange announced that throughout 2024, fundraising actions by corporations reached IDR 63.36 trillion. IDX Corporate Secretary Kautsar Primadi said the total funds came from bonds and sukuk from 65 emissions from 43 issuers. With this listing, the total bond and sukuk emissions listed on the IDX amounted to 576 emissions with an outstanding nominal value of IDR 473.79 trillion and USD 54,758 million, issued by 133 issuers," said Kautsar Nyoman as quoted on Sunday (7/7). In addition, the IDX announced that there were Government Securities (SBN) listed on the IDX totaling 186 series with a nominal value of IDR 5,996.99 trillion and USD 502.10 million. The IDX also recorded 10 Asset-Backed Securities (EBA) emissions with a value of IDR 2.93 trillion. Kautsar explained, during the first week of July there were stock listings, as well as several bonds and sukuk on the IDX. Closing the week, IDX trading was opened in the context of the initial listing of the 2024 Ecosystem Network Integration I Bonds by PT Integration Network Ecosystem. Bonds issued by PT Integrasi Jaringan Ekosistem began to be listed on the IDX with a value of IDR 600 billion. On the same day, there was also the listing of Dayamitra Telekomunikasi Phase I Sustainable Bonds Year 2024. There was also a listing of Sustainable Sukuk Ijarah I Dayamitra Telekomunikasi Phase I Year 2024 by PT Dayamitra Telekomunikasi Tbk. These bonds and sukuk were listed with a value of IDR 240 billion and IDR 10 billion. There was also a listing of Lautan Luas Sustainable Bond IV Phase I Year 2024 by PT Lautan Luas on the IDX on the same day. The bonds listed were worth IDR 285 billion and appointed PT Bank Mega Tbk as trustee. (Katadata)

Recommendation

ID10YT is expected to soon test MA50 Support around yield 7.01%, up to 7.0% as a psychological level. While MA10 & MA20 Resistance around yield 7.054% - 7.077% are waiting to be conquered, prices will have a limited tendency to strengthen.

With the yield closing below MA10 & MA20 Support, it is estimated that US10YT prices tend to strengthen until the yield reaches the Target Support / bottom yield: 4.22% - 4.135%.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	6.25%	Real GDP	5.11%	5.04%
FX Reserve (USD bn)	139.00	136.20	Current Acc (USD bn)	-2.16	-1.29
Trd Balance (USD bn)	2.93	3.56	Govt. Spending Yoy	19.90%	2.81%
Exports Yoy	2.86%	1.72%	FDI (USD bn)	6.03	4.82
Imports Yoy	-8.83%	4.62%	Business Confidence	104.82	104.30
Inflation Yoy	2.51%	2.84%	Cons. Confidence*	125.20	127.70

PRICE OF BENCHMARK SERIES

FR0090 : 96.01 (+0.11%)  
FR0091 : 96.33 (+0.10%)  
FR0094 : 96.09 (0.00%)  
FR0092 : 100.23 (+0.25%)

FR0086 : 98.09 (+0.05%)  
FR0087 : 97.43 (+0.13%)  
FR0083 : 103.85 (+0.14%)  
FR0088 : 93.94 (+0.12%)

CDS of Indonesia Bonds

CDS 2yr: -0.38% to 34.25  
CDS 5yr: -0.76% to 73.86  
CDS 10yr: -0.30% to 125.60

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.07%	-0.03%
USDIDR	16,278	-0.32%
KRWIDR	11.79	-0.31%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,375.87	67.87	0.17%
S&P 500	5,567.19	30.17	0.54%
FTSE 100	8,203.93	(37.33)	-0.45%
DAX	18,475.45	24.97	0.14%
Nikkei	40,912.37	(1.28)	0.00%
Hang Seng	17,799.61	(228.67)	-1.27%
Shanghai	2,949.93	(7.63)	-0.26%
Kospi	2,862.23	37.29	1.32%
EIDO	19.85	0.21	1.07%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,392.2	35.5	1.51%
Crude Oil (\$/bbl)	83.16	(0.72)	-0.86%
Coal (\$/ton)	135.75	(0.75)	-0.55%
Nickel LME (\$/MT)	17,341	124.0	0.72%
Tin LME (\$/MT)	33,874	716.0	2.16%
CPO (MYR/Ton)	4,042	(25.0)	-0.61%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>	-	-	-	-	-	-	-
08 – July							
<b>Tuesday</b>	-	-	-	-	-	-	-
09 – July							
<b>Wednesday</b>	US	18.00	MBA Mortgage Applications	-	June 28	-	0.8%
10 - July	JP	06.50	PPI YoY	-	Jun	2.9%	2.4%
	KR	06.00	Unemployment Rate SA	-	Jun	2.8%	2.8%
<b>Thursday</b>	US	19.30	CPI MoM	-	Jun	0.1%	0.0%
11- July	US	19.30	CPI YoY	-	Jun	3.1%	3.3%
	US	19.30	Initial Jobless Claims	-	Jul 6	-	238k
	GE	13.00	CPI MoM	-	Jun F	0.1%	0.1%
	GE	13.00	CPI YoY	-	Jun F	2.2%	2.2%
	JP	06.50	Core Machine Orders MoM	-	May	0.8%	-2.9%
<b>Friday</b>	US	19.30	PPI Final Demand MoM	-	Jun	0.1%	-0.2%
12 – July	US	19.30	U. Of Michigan Sentiment	-	Jul P	67.0	68.2
	JP	11.30	Industrial Production MoM	-	May F	-	2.8%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

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## Indonesia 10 Years Treasury

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