

Today's Outlook:

**US MARKETS:** CBOE VOLATILITY index, Wall Street's "fear index" closed at 18.04, the highest point since April. Even a more dovish call from one of the Fed's notoriously conservative officials was unable to provide support to the markets. Bill Dudley, former President of the New Federal Reserve said that the Fed could cut interest rates as soon as even at next week's meeting on July 30-31, in fact the economic data has been supportive, making the view of higher interest rates for longer irrelevant. The US ECONOMIC DATA released last night more or less eliminated the concern that the US could fall into recession, with Building Permits rising above expectations offsetting the fact that New Home Sales in June were recorded in a downward trend. The S&P GLOBAL COMPOSITE PMI was recorded to be firmly in expansionary territory thanks to the Services sector being stronger than the Manufacturing sector. Later tonight there is another set of macroeconomic indicators that will shape the perception of the market's next direction, namely: Durable Goods Order (Jun), and the highlight is the preliminary estimate of US GDP 2Q (forecast: 2.0% qoq vs previous: 1.4%); not forgetting Initial Jobless Claims which estimates there were 237k jobless claims in the latest week (lower than the previous week's 243k).

**ASIA & EUROPE MARKETS:** Speaking of PMIs, the JAPAN, GERMANY, EUROZONE Manufacturing sectors all plummeted in contractionary territory, causing the overall Composite PMI to fall and some even crossed below the 50 level. On the other hand, the UK was the one country that was able to keep their Manufacturing & Services sector activity in expansionary territory causing the Composite PMI to still be safely perched at 52.7 (up from estimates & previous period). This morning SOUTH KOREA started the announcement of their first estimate of 2Q GDP which fell 0.2% qoq, bringing the annualized figure to 2.3% yoy, clearly in a downtrend compared to consensus 2.5% and previous quarter 3.3%. From Sakura Country's neighbor, JAPAN reported sharply shrinking foreign investment interest in bond & stock purchases. Market players are bracing themselves for a tsunami wave (at least) in Asian stock market today in the face of negative sentiment from regional market.

**COMMODITIES:** OIL prices ended higher on Wednesday thereby snapping 3 consecutive sessions of declines, supported by a large drop in US crude and fuel stocks, but prices were still near a 6-week low on concerns over weak global demand. BRENT futures for September closed up 0.9% at USD 81.71/barrel. The US WTI contract for September gained 0.8%, to USD 77.59/barrel. US crude oil inventories shrank by 3.7 million barrels last week, according to data from the Energy Information Association, far more than analysts' expectations in a Reuters poll that forecast a decline of only 1.6 million barrels. The market thinks there is a healthier increase in demand and there will be price support in the short term; especially when prices are under downward pressure following ceasefire talks between Israel & Hamas, as well as continued concerns over economic weakness in China, the world's largest crude importer. At the same time, crude shipments to India, the world's third largest oil importer and consumer, also fell in June to the lowest level since February. So far, US WTI prices have fallen 7% over the previous 3 sessions, while Brent has lost almost 5%. Another factor supporting prices is the wildfires in Canada, which will force some producers to limit production and threaten large supply disruptions. Meanwhile, the Russian Energy Ministry pledged to keep meeting the crude production quota set by the OPEC+ group in July, after their June production exceeded the limit.

Corporate News

**INKP: Sinarmas Group Paper Issuer (INKP) Reports Bond Repayment of IDR 333.5B**

PT Indah Kiat Pulp & Paper Tbk (INKP) said that it had paid off its bonds due on July 22, 2024. INKP Corporate Secretary, Heri Santoso, in a written statement on Tuesday (23/7) revealed that the Company through PT Kustodian Sentral Efek Indonesia (KSEI) had paid off the principal of Indah Kiat Pulp & Paper IV Sustainable Bonds Phase I Year 2023 Series A (Bonds) amounting to IDR 333.55 billion to bondholders. Heri emphasized that there is no impact of the event, information or material facts on the operational activities, legal, financial condition, or business continuity of the Issuer or Public Company. (Emiten News)

Domestic Issue

**Multifinance Industry Bond Issuance in Second Semester/2024 Surges**

PT Pemeringkat Efek Indonesia (Pefindo) recorded an increase in bond issuance by the multifinance industry in semester II/2024. Based on Pefindo data, there are six companies that have issued bonds from July 1 to 19, 2024, with a total issuance reaching IDR 4.77 trillion. Pefindo Fixed Income Analyst Ahmad Nasrudin stated that this figure had reached one-third of the total issuance in the first semester of 2024. "This figure shows a significant increase compared to the previous semester," Ahmad told Bisnis, Wednesday (24/7/2024). Ahmad is optimistic that the issuance of multifinance industry bonds in the second semester of 2024 will continue to increase. He also mentioned that the expectation of lower interest rates in the second half of this year could be a catalyst for a decline in benchmark yields, which in turn will affect the price decline in the corporate bond market. "If interest rates do fall in the second semester of 2024, I expect this will drive down coupons and attract multifinance companies to access the debt securities market," Ahmad added. In addition, lower interest rates are also expected to increase demand for multifinance services. Pefindo notes that the amount of debt securities maturing in semester I/2024 is also quite large, with IDR 6.79 trillion maturing in quarter III/2024 and IDR 6.09 trillion maturing in quarter IV/2024. (Bisnis)

Recommendation

**US10YT is again trying to break out MA20 Resistance/yield 4.278% although currently not in a definitive position.** ADVISE: anticipate price weakness to continue as yield strengthens towards TARGET: MA50/4.333% or upper channel resistance around 4.44%.

**Not much different, ID10YT is also clearly held by MA20 at the psychological yield level of 7.008% as it awaits the movement of US10YT which also seems to depend on important economic data from the US such as the estimated US GDP 2Q and PCE PRICE INDEX which will be released sequentially this Thursday and Friday.** ADVISE: WAIT & SEE for further view of central bank monetary policy.

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)	140.18	139.00	Current Acc (USD bn)	-2.16	-1.29
Trd Balance (USD bn)	2.39	2.93	Govt. Spending Yoy	19.90%	2.81%
Exports Yoy	1.17%	2.86%	FDI (USD bn)	6.03	4.82
Imports Yoy	7.58%	-8.83%	Business Confidence	104.82	104.30
Inflation Yoy	2.51%	2.84%	Cons. Confidence*	123.30	125.20

PRICE OF BENCHMARK SERIES

FR0090 : 96.07 (-0.04%)  
FR0091 : 96.64 (+0.04%)  
FR0094 : 96.23 (+0.00%)  
FR0092 : 100.28 (-0.15%)

FR0086 : 98.06 (+0.01%)  
FR0087 : 98.06 (+0.13%)  
FR0083 : 104.08 (+0.07%)  
FR0088 : 94.61 (+0.20%)

CDS of Indonesia Bonds

CDS 2yr: +3.51% to 34.69  
CDS 5yr: +3.03% to 74.48  
CDS 10yr: +2.69% to 126.66

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.01%	0.01%
USDIDR	16,215	0.03%
KRWIDR	11.75	0.45%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,853.87	(504.22)	-1.25%
S&P 500	5,427.13	(128.61)	-2.31%
FTSE 100	8,153.69	(13.68)	-0.17%
DAX	18,387.46	(170.24)	-0.92%
Nikkei	39,154.85	(439.54)	-1.11%
Hang Seng	17,311.05	(158.31)	-0.91%
Shanghai	2,901.95	(13.42)	-0.46%
Kospi	2,758.71	(15.58)	-0.56%
EIDO	20.02	(0.22)	-1.09%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,397.7	(11.9)	-0.50%
Crude Oil (\$/bbl)	77.59	0.63	0.82%
Coal (\$/ton)	134.75	0.05	0.04%
Nickel LME (\$/MT)	15,827	(194.0)	-1.21%
Tin LME (\$/MT)	29,790	372.0	1.26%
CPO (MYR/Ton)	3,925	(44.0)	-1.11%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>							
22 – July							
<b>Tuesday</b>	US	21.00	Existing Home Sales	3.89m	Jun	4.00 m	4.11 m
23 – July							
<b>Wednesday</b>	JP	07..30	Jibun Bank Japan PMI Manufacturing	49.2	July P	-	50.0
24 - July	GE	14.30	HCOB Germany Manufacturing PMI	42.6	July P	44.5	43.5
	US	18.00	MBA Mortgage Applications	-2.2%	July 19	-	3.9%
	US	19.30	S&P Global US Manufacturing PMI	49.5	Jun	-	51.6
	US	21.00	New Home Sales	617k	Jun	640k	619k
<b>Thursday</b>							
25 – July	GE	15.00	IFO Business Climate	-	July	89.0	88.6
	US	19.30	Initial Jobless Claims	-	July 20	-	243k
	US	19.30	Durable Goods Order	-	June P	0.5%	0.1%
	US	19.30	GDP Annualized QoQ	-	2Q A	1.8%	1.4%
<b>Friday</b>							
26 - July	US	19.30	Personal Spending	-	June	0.2%	0.2%
	US	19.30	Personal Income	-	June	0.4%	0.5%
	US	21.00	US Of Michigan Sentiment	-	July F	-	66.0

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury

Published on Investing.com, 20/07/2024 - 23:48:47 GMT. Powered by TradingView  
United States 10 Year, United States, NYSE:US10YT=RLD



## Indonesia 10 Years Treasury

Published on Investing.com, 20/07/2024 - 23:50:34 GMT. Powered by TradingView  
Indonesia 10 Year, Indonesia, Jakarta:ID10YT=RLD



## Research Division

### Head of Research

**Liza Camelia Suryanata**

Equity Strategy, Macroeconomics,  
Technical  
T +62 21 5088 ext 9134

### 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

### Analyst

**Axell Ebenhaezer**

Mining, Property  
T +62 21 5088 ext 9133  
E Axell.Ebenhaezer@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 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

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