

Today's Outlook:

US & GLOBAL MARKETS: This beginning of the week will be filled by financial reports and three meetings of the world's central banks, which could possibly make the United States and the United Kingdom open the door to interest rate cuts. Not to mention US labor data for July, plus closely watched surveys on US and global manufacturing, as well as Eurozone GDP and inflation data will also be released later this week. Elsewhere, the US Treasury will outline its bond sale plans for this quarter, while China's politburo meeting is expected to spawn more stimulus after last week's surprise rate cut. After a tame June Inflation report, markets are betting that the Federal Reserve will have a more solid reason to decide on an interest rate cut in September, at the end of the FOMC MEETING next Wednesday. Surveys have fully priced in a 25bps easing and even factored in a 12% chance of a 50bps cut, and have also forecast another 68 bps cut in December.

Later tonight investors will look forward to the CB CONSUMER CONFIDENCE (Jul) data as well as the first report of the US labor data series JOLTS JOB OPENINGS, where it is forecast that there will be an increase of 8.03 million job openings in June, compared to 8.14 million in the previous month.

ASIA & EUROPE MARKETS: Today a lot of data will make investors focus their attention on the EUROPEAN continent: **GERMAN GDP will be in the spotlight for Eurozone markets today where they expect the preliminary Q2 economic growth figure to come in at 0.1% qoq, slowing from the previous quarter's 0.2%.** Later in the afternoon, EUROZONE GDP will be monitored to see if it is able to reach 0.6% qoq in Q2 this year, up from 0.4% in the previous quarter. Finally, the GERMAN CPI figure will close the key European data tonight when the actual figure is compared to the 2.2% yoy estimate for July inflation. Asian & European CENTRAL BANK MONITORING this week: BANK OF JAPAN will also meet on Wednesday, and the market is signaling a 70% chance that they will raise rates by 10 bps to 0.2%, with some scenarios they could decide by 15bps. In contrast, investors are less certain whether the BANK OF ENGLAND will ease monetary policy at Thursday's meeting, with futures suggesting a 51% chance of a cut.

CURRENCY & FIXED INCOME: The **DOLLAR INDEX**, which measures the greenback's strength against a basket of other major world currencies including the Yen and Euro, was up **0.18% at 104.56**. The benchmark 10-year US Treasury yield fell 3bps to 4.171%, the lowest in more than a week.

COMMODITIES: **GOLD** slips as Dollar strengthens. **Gold spot prices fell 0.08% to USD 2,383.64/ounce**, and **US gold futures closed down 0.1% at USD 2,377.80**. In terms of other commodities, OIL prices fell in volatile trading; triggered by developments in the Gaza War where Israeli officials said they wanted to avoid an escalation of the Middle East conflict even after a rocket attack on the Israeli-occupied Golan Heights, for which Israel and the United States accused Lebanese armed group Hezbollah of responsibility. **BRENT crude oil futures closed down 1.7% at USD 79.78/barrel**; while **US WTI ended 1.8% lower at USD 75.81/barrel**.

Corporate News

ADMF: Adira Finance Ready to Pay Off Two Maturing Bonds in the Second Semester/2024

Adira Dinamika Multi Finance Tbk (ADMF) or Adira Finance will pay off two bonds that mature in the second semester of 2024. The two bonds are the 2019 Adira Finance Phase VI Sustainable Bonds IV Series C with an emission value of IDR 190 billion which will mature on October 4, 2024, and the 2023 Adira Finance Phase II Sustainable Bonds VI with an emission value of IDR 834.39 billion which will mature on November 19, 2024. Adira Finance Director, Sylvanus Gani Mendrofa, stated that Adira Finance's liquidity is currently good enough to pay off its financial obligations. "The company plans to pay off the bond principal and interest on the maturity date using the company's internal cash," Gani told Bisnis on Sunday (26/7/2024). In the first quarter of 2024, ADMF's cash and cash at banks at the end of the period was recorded at IDR 1.71 trillion, up from IDR 1.39 trillion in the first quarter of 2023. With this financial performance, Gani said ADMF was able to pay off its financial obligations while funding the company's business needs. (Bisnis)

Domestic Issue

Debt Ratio for First Half of 2024 Nearly 40% of GDP, Hits IDR 8,444 T

The Ministry of Finance (Kemenkeu) reported that Indonesia's debt position as of June 2024 touched IDR 8,444.87 trillion. Thus, the ratio of debt to Gross Domestic Product (GDP) was recorded at 39.13%. Launching the APBN Kita July 2024 document published by the Ministry of Finance, the debt position was recorded to have increased by IDR 91.85 trillion compared to the previous month which amounted to IDR 8,353.02 trillion. "As of the end of June 2024, the maturity profile of government debt is relatively safe with a weighted average time maturity (ATM) of 7.98 years," as written in the APBNKita document July 2024 Edition, quoted Tuesday (30/7/2024). Based on composition, Government Securities (SBN) were recorded at IDR 7,418.76 trillion or 87.5% of total government debt as of June 2024, then divided into IDR 1,451.07 or 17.18% are Foreign Exchange SBN and IDR 5,967.70 or 70.67% are Domestic SBN. When compared to the previous month, debt originating from SBN was recorded to have increased by IDR 71.26 trillion or grew by around 0.97% on a monthly basis. That way, the increase in debt from SBN still dominates the growth of government debt as of June 2024. Meanwhile, the remaining 12.15% or IDR 1,026.11 trillion were loans, with domestic loans recorded at IDR 34.1 trillion and foreign loans amounting to IDR 988.01 trillion. Government debt originating from loans was recorded to have increased by IDR 20.59 trillion when compared to the position at the end of May 2024, that figure grew 2.05% on a monthly basis. "The debt ratio as of the end of June 2024, which amounted to 39.13% of GDP, was consistently maintained below the safe limit of 60% of GDP in accordance with Law Number 17/2003 concerning State Finance," he said. The June 2024 debt-to-GDP ratio of 39.13% has exceeded the debt ratio limit range set by the government for 2025, namely, 37.82% - 38.71% of GDP. (Bloomberg Technoz)

Recommendation

US10YT is again testing the Support area from the previous Low level around 4.16% yield, where this time the RSI indicator shows a positive divergence, just when the candle also formed a long-leg Hammer / Dragonfly (indicating bullish reversal soon). Timing is crucial, especially when the market is waiting for the FOMC Meeting this July 30-31. Nearest Resistance: MA10 & MA20 around 4.23%-4.24% yield; if it is able to be broken, it will lead the yield back to strengthen towards 4.315%. Conversely, if it turns out that the Fed meeting gave a surprise interest rate cut unexpectedly then the yield will go to the lower channel support around 4.07%.

ID10YT seems to have preceded the Federal Reserve's decision with the yield turning down after being unable to break through the stack of MA Resistance to return above the psychological level of 7.0%. ID10YT will again try the Support from the previous Low level at a yield of 6.90% before continuing to slide down towards a yield of 6.84% / 6.76%-6.74%. ADVISE: anticipate price strengthening that will continue to occur.

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 : 96.25 (-0.01%)
FR0091 : 97.02 (+0.18%)
FR0094 : 96.23 (+0.02%)
FR0092 : 100.40 (+0.07%)

FR0086 : 98.31 (+0.13%)
FR0087 : 98.41 (+0.16%)
FR0083 : 103.97 (-0.01%)
FR0088 : 94.75 (-0.03%)

CDS of Indonesia Bonds

CDS 2yr: -2.60% to 34.43
CDS 5yr: -0.53% to 74.51
CDS 10yr: +0.40% to 126.39

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.95%	-0.04%
USDIDR	16,280	-0.06%
KRWIDR	11.78	-0.04%

Global Indices

Index	Last	Chg.	%
Dow Jones	40,539.93	(49.41)	-0.12%
S&P 500	5,463.54	4.44	0.08%
FTSE 100	8,292.35	6.64	0.08%
DAX	18,320.67	(96.88)	-0.53%
Nikkei	38,468.63	801.22	2.13%
Hang Seng	17,238.34	217.03	1.28%
Shanghai	2,891.85	0.95	0.03%
Kospi	2,765.53	33.63	1.23%
EIDO	20.06	(0.05)	-0.25%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,384.2	(3.0)	-0.13%
Crude Oil (\$/bbl)	75.81	(1.35)	-1.75%
Coal (\$/ton)	140.10	5.30	3.93%
Nickel LME (\$/MT)	15,837	43.0	0.27%
Tin LME (\$/MT)	29,296	(275.0)	-0.93%
CPO (MYR/Ton)	3,908	(34.0)	-0.86%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday							
29 – July							
Tuesday	JP	06.30	Jobless Rate	-	Jun	2.6%	2.6%
30 – July	US	21.00	Conf. Board Consumer Confidence	-	Jul	99.7	100.4
Wednesday	US	18.00	MBA Mortgage Applications	-	July 26	-	-2.2%
31 - July	US	19.15	ADP Employment Change	-	Jul	168k	150k
	US	20.45	MNI Chicago PMI	-	Jul	44.0	47.4
	US	20.45	MNI Chicago PMI	-	Jul	44.0	47.4
Thursday	JP	07..30	Jibun Bank Japan PMI Manufacturing	-	July F	-	49.2
01 – August	ID	07.30	S&P Global Indonesia PMI Mfg	-	July	-	50.7
	ID	11.00	CPI YoY	-	July	2.40%	2.51%
	US	01.00	FOMC Rate Decision (Upper Bound)	-	July 31	5.50%	5.50%
	US	19.30	Initial Jobless Claims	-	July 27	-	235k
	US	20.45	S&P Global US Manufacturing PMI	-	July F	-	49.5
	US	21.00	ISM Manufacturing	-	July	49.0	48.5
Friday	US	19.30	Change In Nonfarm Payrolls	-	July	175k	206k
02 – August	US	19.30	Unemployment Rate	-	July	4.1%	4.1%
	US	21.00	Factory Orders	-	June	0.5%	-0.5%
	US	21.00	Durable Goods Order	-	June F	-	-6.6%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

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Indonesia 10 Years Treasury

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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

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PT. NH Korindo Sekuritas Indonesia

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

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Jakarta