

Today's Outlook:

US MARKETS: Positive market sentiment came from a trio of Federal Reserve policymakers who indicated on Thursday that they were more confident inflation was cooling enough to lower interest rates. Their comments - along with a larger-than-expected drop in US jobless claims data - have helped convince investors to support the stock market recovery. Investors are expected to focus heavily on looking for fresh evidence of a possible soft landing for the American economy in the US CPI and Retail Sales readings for July due later this week. A sign that the market has regained its composure, the CBOE Volatility Index, known as Wall Street's 'fear gauge', fell 3.42 points on Friday to close at 20.37, a far cry from Monday's intraday panic spike to 65.73, the equivalent of the starting point of the March 2020 Covid Pandemic. Meanwhile, MSCI's index of worldwide stocks rose 0.69% to 787.16 but was virtually unchanged for the week, edging down just 0.01%.

CURRENCY & FIXED INCOME: The DOLLAR INDEX, which measures the greenback's strength against a basket of currencies including the Yen and Euro, fell 0.12% to 103.16. Against the Japanese Yen, the Dollar weakened 0.42% to 146.66. The Euro was down 0.03% at USD 1.0915. In US Treasuries, yields fell after a volatile week while investors eye next week's key inflation data for fresh clues on a potential September rate cut. The 10-year US Treasury yield fell 5.7 bps to 3.94%, from 3.997% at the end of Thursday. The 30-year US Treasury yield fell 6.5 bps to 4.2205% from 4.286%. The 2-year yield, which usually moves in line with interest rate expectations, rose 0.9 bps to 4.0531%, from 4.044% at the end of Thursday.

COMMODITIES: OIL prices closed higher as fears of widespread MIDDLE EAST CONFLICT persisted, where US WTI gained 0.85% and ended at USD 76.84/barrel while BRENT rose to USD 79.66/barrel, appreciating 0.63% for Friday.

GOLD prices firmed slightly, with spot gold up 0.12% to USD 2,429.60/ounce. Wells Fargo data noted that CHINA gold ETFs have surged, with holdings increasing by 92% since the beginning of 2023. The bank said the surge in gold-based ETF investments reflects strong demand from Chinese investors seeking safety amid economic uncertainty. Wells Fargo highlighted that Asian gold ETFs have grown 56% since January 2023 with 92% of the increase contributed from Chinese positions. This surge in gold holdings coincides with gold investment returns of 23% over the same period.

Corporate News

APLN: Moody's Upgrades Agung Podomoro's Rating to Stable

PT Agung Podomoro Land Tbk (APLN) received a corporate family rating (CFR) upgrade from Moody's Ratings. In an announcement released on August 8, 2024, Moody's raised APLN's rating from Caa3 to Caa1, and revised the company's outlook to stable from negative. This rating upgrade reflects two main factors. First, the reduced refinancing risk for APLN after the company successfully paid off the remaining USD 131.96 million bonds due on June 3, 2024. (Emiten News)

Domestic Issue

OJK Issues Rules to Support the Issuance of Regional Bonds and Sukuk

The Financial Services Authority (OJK) has issued OJK Regulation Number 10 of 2024 concerning the Issuance and Reporting of Regional Bonds and Regional Sukuk (POJK 10/2024) to expand local government fiscal financing sources through the utilization of funding sources in the capital market. "This POJK is also issued with the aim of improving information disclosure and supervision of the issuance of regional bonds and sukuk," said Head of OJK's Department of Literacy, Financial Inclusion and Communication Aman Santosa in Jakarta, Sunday. POJK 10/2024 was issued to adjust and harmonize the provisions of the Financial Services Authority Regulations governing regional bonds and regional sukuk with Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments and Government Regulation Number 1 of 2024 concerning Harmonization of National Fiscal Policy as laws and regulations issued as an effort to overcome obstacles to the issuance of regional bonds and regional sukuk. Aman said POJK 10/2024 replaces, combines and revokes the validity of three POJKs previously issued in 2017. The three POJKs are POJK Number 61/POJK.04/2017 concerning Registration Statement Documents in the Context of Public Offerings of Regional Bonds and or Regional Sukuk, POJK Number 62/POJK.04/2017 concerning the Form and Content of Prospectus and Brief Prospectus in the Context of Public Offerings of Regional Bonds and or Regional Sukuk, and POJK Number 63/POJK.04/2017 concerning Reports and Announcements of Issuers of Regional Bonds and or Regional Sukuk. (Antara News)

Recommendation

US10YT in overall is still moving down in a PARALLEL CHANNEL pattern since the collapse of the April peak yield (4.74%). Therefore it can be predicted that the short-term target is towards the upper channel resistance in the range of 4.13% yield, but before that there are a number of minor resistances that need to be passed first: 3.990% - 4.0%/ 4.08%. ADVISE: anticipate a temporary weakening in price (in a price trend that is still considered uptrend).

Equally, **ID10YT** is undergoing a downtrend in a PARALLEL CHANNEL pattern so that it is currently at the Support of the previous Low in May, as well as the pull of the long-term trendline around the yield of 6.76% - 6.74%. The last candle was an Inverted Hammer, an indication of bullish reversal adding optimism for a technical rebound soon, especially when RSI has entered Oversold territory. ADVISE LINE: anticipate yield strengthening (= price weakness) with the following Resistance lines: 6.84%/ 6.90% - 6.92%.

PRICE OF BENCHMARK SERIES

FR0090 : 96.40 (+0.01%)
FR0091 : 97.85 (+0.09%)
FR0094 : 96.80 (+0.00%)
FR0092 : 102.03 (+0.10%)

FR0086 : 98.42 (-0.01%)
FR0087 : 98.97 (+0.10%)
FR0083 : 105.45 (+0.50%)
FR0088 : 95.37 (-0.05%)

CDS of Indonesia Bonds

CDS 2yr: +0.44% to 34.36

CDS 5yr: +0.08% to 77.99

CDS 10yr: +0.17% to 129.96

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.77%	-0.01%
USDIDR	15,925	0.19%
KRWIDR	11.67	1.10%

Global Indices

Index	Last	Chg.	%
Dow Jones	39,497.54	51.05	0.13%
S&P 500	5,344.16	24.85	0.47%
FTSE 100	8,168.10	23.13	0.28%
DAX	17,722.88	42.48	0.24%
Nikkei	35,025.00	193.85	0.56%
Hang Seng	17,090.23	198.40	1.17%
Shanghai	2,862.19	(7.71)	-0.27%
Kospi	2,588.43	31.70	1.24%
EIDO	20.48	(0.02)	-0.10%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,431.3	3.8	0.16%
Crude Oil (\$/bbl)	76.84	0.65	0.85%
Coal (\$/ton)	146.00	0.50	0.34%
Nickel LME (\$/MT)	16,150	7.0	0.04%
Tin LME (\$/MT)	31,304	810.0	2.66%
CPO (MYR/Ton)	3,747	43.0	1.16%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.25%	6.25%	Real GDP	5.05%	5.11%
FX Reserve (USD bn)	145.41	140.20	Current Acc (USD bn)	-2.16	-1.29
Trd Balance (USD bn)	2.39	2.93	Govt. Spending Yoy	1.42%	19.90%
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	2.13%	2.51%	Cons. Confidence*	123.40	123.30

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday							
12 – August							
Tuesday	US	19.30	PPI Final Demand MoM	-	Jul	0.2%	0.2%
13 – August							
Wednesday	US	18.00	MBA Mortgage Applications	-	Aug 9	-	6.9%
14 – August	US	19.30	CPI YoY	-	Aug 9	-	6.9%
	US	19.30	CPI MoM	-	Aug 9	-	6.9%
Thursday	US	19.30	Empire Manufacturing	-	Aug	-6.0	-6.6
15 – August	US	19.30	Retail Sales Advance MoM	-	Jul	0.3%	0.0%
	US	19.30	Industrial Production MoM	-	Jul	0.0%	0.6%
	US	19.30	Initial Jobless Claims	-	Aug 10	-	233k
Friday	US	21.00	University of Michigan Sentiment	-	Aug P	67.2	66.4
16 – August							

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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