

Today's Outlook:

**US MARKETS:** The ISM Manufacturing Index for July came in at 46.8, below the forecast of 48.2; an 8-month low and plunging into contraction territory. These two reports added to concerns about an economic slowdown even as the Federal Reserve is expected to cut interest rates next month. Whereas in the past the market thought the Fed was too late to raise interest rates, now analysts are concerned that the Fed will keep monetary policy tight for too long and cut interest rates too late, jeopardizing the potential for a soft landing. The 10-year US Treasury yield has fallen below 4% for the first time since February as jitters about a hard landing resurfaced. Today there will be crucial labor data that market participants are waiting for, namely US Nonfarm Payroll, plus Unemployment Rate & Average Hourly Wage Growth for July, which is one of the important factors to further confirm Fed Chairman Jerome Powell's comments of a rate cut in Sept.

**ASIA & EUROPE MARKETS:** Manufacturing PMI slips were also seen in CHINA and GERMANY, but the EUROZONE as a whole and the UK were still able to maintain the expansionary pace of their manufacturing sectors in July. BANK OF ENGLAND finally decided to cut interest rate by 25bps as expected to 5.0%; this is their first rate cut since the rate hike in December 2021 from the bottom rate of 0.1%. This morning SOUTH KOREA has released Inflation figures for July at 2.6% yoy, growing 0.1% above the forecast of 2.5% and also still heating up from the previous month's 2.4%. Speaking of Inflation, let's not forget INDONESIA has announced a manageable Inflation figure at 2.13% yoy, successfully sloping below expectations, even on a monthly basis recorded deflation of 0.18% mom following the decline in prices of goods & services that had occurred in the previous month by -0.08%.

**COMMODITIES:** OIL prices fell more than 1% on Thursday, as global supply seemed unaffected by the widening MIDDLE EAST CONFLICT after the killing of Hamas leader in Iran which had spiked Crude Oil prices by around 4%, while traders also refocused on sluggish global demand especially when official Chinese government data showed China's manufacturing activity dropped to a 5-month low. BRENT benchmark oil prices closed down 1.6% at USD 79.52/barrel, while US WTI tumbled 2.1% lower to USD 76.31.

Corporate News

**ADMF: Adira Finance Has Issued Bonds and Sukuk Worth IDR 2 Trillion in 2024**

PT Adira Dinamika Multi Finance Tbk (Adira Finance) has issued bonds and sukuk with a total value of IDR 2 trillion throughout the current year 2024. Adira Finance Chief Financial Officer Sylvanus Gani said that the issuance of debt securities was in accordance with the information disclosure submitted by the company. Where, Adira Finance has issued Sustainable Bond VI Phase III Year 2024 with a principal amount of IDR 1.6 trillion. "In addition, Sustainable Mudharabah Sukuk V Phase III Year 2024 with total funds of IDR 400 billion," he told Kontan, last Wednesday (31/7). Regarding the next bond and sukuk issuance plan, Gani said the company will continue to observe the latest business conditions and future funding needs before making a decision. Previously, PT Pemeringkat Efek Indonesia (Pefindo) said, the value of debt securities issuance by the multifinance industry reached IDR 13.24 trillion during the first semester of 2024. (Kontan)

Domestic Issue

**Immediately Offered, SR021 Sales Projected to Reach IDR 24 Trillion**

Retail Sukuk (SR) series SR021 is believed to be able to reap sales of up to IDR 24 trillion. The plan, SR021 will be issued on August 23 - September 18, 2024 (tentative). Bank Permata Chief Economist Josua Pardede believes that the SR021 offering will still be the choice of investors. This optimism is in line with the debt securities market conditions which are seen as getting better. Josua pointed out that the current bond market conditions are more positive, when compared to the bond market conditions at the time of the issuance of the previous retail sukuk series, SR020 in March. Sentiment is considered likely to improve in the bond market, especially due to expectations of a faster Fed interest rate cut. In addition, the yield of 10-year conventional SBN is already in the range of 6.8-6.9%. "With the increasing appetite of bond investors, we expect SR021 to be sold in the range of IDR 20 trillion - IDR 24 trillion in the upcoming August sales," Josua told Kontan.co.id, Thursday (1/8). Regarding the potential yield or coupon of SR021, Josua observed that the Sharia Retail SBN coupon will still be above the 6% level. This is reflected in the SR020 coupon of 6.3% for a 3-year tenor and 6.5% for a 5-year tenor, with the BI rate still at 6.0% at that time. In line with the increase in BI rate to 6.25% at present, the SR021 coupon that will be offered will also increase to the range of 6.2%-6.5% for the 3-year tenor, and 6.4%-6.7% for the 5-year tenor. "The coupon rate in the range of 6% is expected to remain attractive to investors. Moreover, with the potential for Fed rate cuts in the second half of 2024, capital gain expectations have also increased," said Josua. (Kontan)

Recommendation

**US10YT has almost reached its Target bottom at 3.92% yield (current: 3.97%) thanks to the Fed's increasingly feasible rate cut projections. RSI is now Oversold.** ADVISE: anticipate limited downside potential on yield, weak US economic data should also support a rate cut; monitor today's key US Nonfarm Payroll data for further US Treasury direction guidance.

Similarly, **ID10YT has also entered the mid-term trendline support region for yield, located at 6.80%.** ADVISE: anticipate limited downside potential on yield. RSI is approaching Oversold territory.

## 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 : 96.39 (+0.12%)  
FR0091 : 97.36 (+0.13%)  
FR0094 : 96.23 (+0.00%)  
FR0092 : 100.59 (+0.05%)

FR0086 : 98.38 (-0.03%)  
FR0087 : 98.81 (+0.22%)  
FR0083 : 104.63 (+0.50%)  
FR0088 : 95.39 (+0.67%)

## CDS of Indonesia Bonds

CDS 2yr: +4.26% to 33.88

CDS 5yr: +2.79% to 76.44

CDS 10yr: +3.54% to 128.84

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.88%	-0.02%
USDIDR	16,235	-0.15%
KRWIDR	11.86	0.01%

## Global Indices

Index	Last	Chg.	%
Dow Jones	40,347.97	(494.82)	-1.21%
S&P 500	5,446.68	(75.62)	-1.37%
FTSE 100	8,283.36	(84.62)	-1.01%
DAX	18,083.05	(425.60)	-2.30%
Nikkei	38,126.33	(975.49)	-2.49%
Hang Seng	17,304.96	(39.64)	-0.23%
Shanghai	2,932.39	(6.36)	-0.22%
Kospi	2,777.68	6.99	0.25%
EIDO	20.19	0.05	0.25%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,446.3	(1.3)	-0.05%
Crude Oil (\$/bbl)	76.31	(1.60)	-2.05%
Coal (\$/ton)	142.55	2.45	1.75%
Nickel LME (\$/MT)	16,282	(322.0)	-1.94%
Tin LME (\$/MT)	29,894	(162.0)	-0.54%
CPO (MYR/Ton)	3,870	(38.0)	-0.97%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>							
29 – July							
<b>Tuesday</b>	JP	06.30	Jobless Rate	2.5%	Jun	2.6%	2.6%
30 – July	US	21.00	Conf. Board Consumer Confidence	100.3	Jul	99.7	100.4
<b>Wednesday</b>	US	18.00	MBA Mortgage Applications	-3.9%	July 26	-	-2.2%
31 - July	US	19.15	ADP Employment Change	122k	Jul	168k	150k
	US	20.45	MNI Chicago PMI	45.3	Jul	44.0	47.4
<b>Thursday</b>	JP	07..30	Jibun Bank Japan PMI Manufacturing	49.1	July F	-	49.2
01 – August	ID	07.30	S&P Global Indonesia PMI Mfg	49.3	July	-	50.7
	ID	11.00	CPI YoY	2.13%	July	2.40%	2.51%
	US	01.00	FOMC Rate Decision (Upper Bound)	5.50%	July 31	5.50%	5.50%
	US	19.30	Initial Jobless Claims	249k	July 27	-	235k
	US	20.45	S&P Global US Manufacturing PMI	49.6	July F	-	49.5
	US	21.00	ISM Manufacturing	46.8	July	49.0	48.5
<b>Friday</b>	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

Published on Investing.com, 1/Aug/2024 - 23:40:34 GMT, Powered by TradingView.

United States 10-Year, United States, NYSE:US10YT=X, D



## Indonesia 10 Years Treasury

Published on Investing.com, 1/Aug/2024 - 23:42:22 GMT, Powered by TradingView.

Indonesia 10-Year, Indonesia, Jakarta:ID10YT=RR, D



## 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

### 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