

# Morning Briefing

Daily | October 15, 2024

## Today's Outlook:

**FIXED INCOME & CURRENCY:** The bond market was closed in commemoration of Columbus Day, and there were no earnings reports or economic data to impact investor sentiment. Market participants' attention moves to the end of the week, with Retail Sales, Industrial Production, and Building Permits among the scheduled data releases. The US DOLLAR touched its highest level in 10 weeks, extending gains triggered by economic data supporting a modest interest rate cut from the US Federal Reserve. The DOLLAR INDEX (DXY), which measures the greenback's strength against a basket of currencies including the Yen and Euro, rose 0.18% to 103.23, with the Euro down 0.31% at USD 1.0903. Against the Japanese Yen, the Dollar strengthened 0.42% to 149.76.

## ASIA & EUROPEAN MARKETS:

- As known, CHINA pledged on Saturday to significantly increase debt in its efforts to revive the world's second largest economy, yet its lack of details disappointed investors. This was followed by yesterday's Trade Balance report showing a sharp slowdown in Chinese Export growth at 2.4% yoy in Sept, which fell short of expectations of 6.0% (this was already down from the previous month's 8.7%), underlining the need for strong stimulus. Although New Loans grew strongly in Sept at CNY 1590bn (significantly above estimates & previous month's CNY 1bn), it is suspected that this was not to support corporate expansion but rather to sustain daily operations/life, as evidenced by Chinese Total Social Financing (Sept) which expanded CNY 730bn from Aug's CNY 3030bn, the largest in 6 months.

- Speaking of other ASIAN markets, this morning SOUTH KOREA has also reported Export & Import price conditions (Sept) which seems to be experiencing the same weakness. INDONESIA's Trade Balance data follows later in the day around 1100WIB with an expected growth in Exports & Imports supporting a surplus that will probably be around USD 2.83bn in Sept, not much different from Aug's position at USD 2.89bn. JAPAN will release its Industrial Production (Aug) figures which still seems unable to rise from contractionary conditions.

- From the UK, today there will be a number of labor-related data such as Wage + Bonus growth (Aug) and Claimant Count Change aka unemployment data (Sept). While from EUROZONE & GERMANY will also be monitored Industrial Production data (Aug) as well as ZEW Economic Sentiment in Oct for the next 6-month outlook.

**COMMODITIES:** Crude OIL prices fell as OPEC lowered its 2024 and 2025 oil demand growth outlook, while China's oil imports fell for the fifth consecutive month. Overall, China's Sept imports only grew 0.3% yoy, much weaker than the 0.9% predicted and Aug's 0.5%. US WTI crude oil slumped 2.29% to USD 73.83/barrel, while BRENT fell 2.0% to USD 77.46/barrel. In terms of other commodities, GOLD eased from a week high opposite the greenback's position. Gold spot price fell 0.12% to USD 2,652.68/ounce.

## Corporate News

### POWR: S&P Affirms BB+ Rating for Cikarang Litrindo

International rating agency Standard & Poor's Global Ratings (S&P) reaffirmed the BB+ rating on the debt rating of PT Cikarang Litrindo Tbk (POWR). S&P also revised the outlook from stable to positive, bringing the rating closer to investment grade. Based on the S&P report, the increase in the company's outlook is mainly based on its strong financial profile supported by positive operational cash flow and moderate capital expenditure requirements. "Over the past few years the company's leverage has also continued to improve and the company is also considered to have adequate sources of liquidity," wrote management in a press release, Monday (14/10/2024). In its report, S&P believes that the company's strong financial performance with stable cash flow allows the company to refinance its 2026 senior notes. POWR's management positively assessed the rating given by S&P. The new rating shows the company's strong financial performance. As previously reported, POWR aims to raise up to USD 500 million from the issuance of global bonds for refinancing purposes. (Bisnis)

## Domestic News

### Indicative Target of IDR 33 Trillion in Government Securities (SUN) Auction, Tuesday (10/15)

The government will hold an auction of Government Securities (SUN) in rupiah currency, Tuesday (10/15). In this SUN auction, the government has set an indicative target of IDR 22 trillion – IDR 33 trillion. Based on information from the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, there are seven (7) SUN series that will be auctioned starting at 09.00 WIB to 11.00 WIB. The auction aims to meet part of the financing target in the 2024 State Budget. Here are the details of the seven SUN series that will be offered at the auction tomorrow, Tuesday (15/10): SPN12250116, SPN12251002, FR0104 with a yield rate of 6.50%, FR0103 will mature on July 15, 2035 with a coupon rate of 6.75%, FR0098 will mature on June 15, 2038 with a yield rate of 7.12%, FR0097 will mature on June 15, 2043 with a yield rate of 7.12%, FR0102 will mature on July 15, 2054 with a yield of 6.87%. The SBN auction will open on Tuesday, October 15, 2024, at 09.00 WIB and close at 11.00 WIB. The auction results will be announced on the same day. (Kontan)

## Recommendation

**US10YT was stuck around 4.1% yield resistance, producing a Shooting Star-like last candle, while RSI had entered Overbought territory.** POTENTIAL: anticipate a pullback in yield towards the nearest Support: MA10 / psychological level of 4.0%. MA sequence actually provides a platform for a short term uptrend towards TARGET 4.30%, use the momentum of temporary yield weakness (could even reach 3.88% - 3.84%) to reduce bond positions (sell) at better prices.

**ID10YT seems to be rebounding after the lowest yield point touched MA10 & MA50 Support around 6.635% - 6.625%.** The posture of these three Moving Averages is actually preparing the ground for a short-term uptrend for ID10YT yield, at least until it reaches the TARGET yield of 6.80% again. POTENTIAL: anticipate upside potential on yield will still continue (= price weakness)

## PRICE OF BENCHMARK SERIES

FR0090 : 97.36 (-0.04%)  
FR0091 : 98.97 (+0.10%)  
FR0092 : 102.26 (+0.05%)  
FR0094 : 97.01 (+0.00%)

FR0086 : 98.93 (+0.03%)  
FR0087 : 99.88 (+0.00%)  
FR0083 : 105.47 (+0.02%)  
FR0088 : 96.68 (+0.13%)

## CDS of Indonesia Bonds

CDS 2yr: -0.24% to 31.66

CDS 5yr: -0.07% to 68.91

CDS 10yr: -0.36% to 118.92

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.68%	-0.00%
USDIDR	15,560	-0.13%
KRWIDR	11.46	-0.62%

## Global Indices

Index	Last	Chg.	%
Dow Jones	43,065.22	201.36	0.47%
S&P 500	5,859.85	44.82	0.77%
FTSE 100	8,292.66	39.01	0.47%
DAX	19,508.29	134.46	0.69%
Nikkei	39,605.80	0.00	0.00%
Hang Seng	21,092.87	(159.11)	-0.75%
Shanghai	3,284.32	66.59	2.07%
Kospi	2,623.29	26.38	1.02%
EIDO	21.96	0.06	0.27%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,648.5	(8.1)	-0.30%
Crude Oil (\$/bbl)	73.83	(1.73)	-2.29%
Coal (\$/ton)	148.20	1.50	1.02%
Nickel LME (\$/MT)	17,670	(194.0)	-1.09%
Tin LME (\$/MT)	32,445	(767.0)	-2.31%
CPO (MYR/Ton)	4,313	(37.0)	-0.85%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.25%	Real GDP	5.05%	5.11%
FX Reserve (USD bn)	149.92	150.20	Current Acc (USD bn)	-3.02	-2.16
Trd Balance (USD bn)	2.90	0.47	Govt. Spending Yoy	1.42%	19.90%
Exports Yoy	7.13%	6.46%	FDI (USD bn)	4.89	6.03
Imports Yoy	9.46%	11.07%	Business Confidence	104.82	104.30
Inflation Yoy	1.84%	2.12%	Cons. Confidence*	123.50	124.40

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>							
14 – October							
<b>Tuesday</b>	JP	11.30	Industrial Production MoM	-	Aug F	-	-3.3%
15 – October							
	GE	16.00	ZEW Survey Expectations	-	Oct	10.0	3.6
	GE	16.00	ZEW Survey Current Situation	-	Oct	-84.0	-84.5
	US	19.30	Empire Manufacturing	-	Oct	0.0	11.5
<b>Wednesday</b>	ID	14.20	BI Rate	-	Oct 16	6.00%	6.00%
16 – October							
	US	18.00	MBA Mortgage Applications	-	Oct 11	-	-5.1%
<b>Thursday</b>	US	19.30	Initial Jobless Claims	-	Oct 12	-	258k
17 – October							
	US	19.30	Industrial Production MoM	-	Sep	-0.1%	0.8%
	US	19.30	Retail Sales Advance MoM	-	Sep	0.2%	0.1%
<b>Friday</b>	US	19.30	Housing Starts	-	Sep	1350k	1356k
18 – October							

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



## Research Division

### Head of Research

**Liza Camelia Suryanata**

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

### Analyst

**Axell Ebenhaezer**

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

### Analyst

**Ezaridho Ibnutama**

Consumer Goods, Poultry, Healthcare  
T +62 21 5088 ext 9126  
E ezaridho.ibnutama@nhsec.co.id

### 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

#### 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

### 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 Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 360 4650

### 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 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