

Today's Outlook:

- **ECONOMIC INDICATORS: Building Permits (Sept) and Housing Starts (Sept) both fell more than expected and also compared to Aug.** But thanks to data on Thursday showing US Retail Sales increased 0.4% in September, more than anticipated, while Initial Jobless Claims fell unexpectedly; the figures still maintain hopes of a "soft landing" for the US economy.

- **US ELECTION: From small caps to Bitcoin to Dollar, some investors are looking for assets that could thrive under a second Donald Trump administration.** Electability polls suggest the former president has taken a lead over Vice President Kamala Harris, although Harris has a narrow lead in this week's Reuters/Ipsos poll. Trump's trade is expected to focus on the power of tariffs, deregulation, and larger deficits. The Mexican peso, for example, is down 4% from its September high as investors worry about tariffs. Shares of Trump Media & Technology Group are up more than 140% since September 23. Some analysts see the Trump effect in the recent rise in bond yields and the US Dollar. The difficulty is separating politics from economics.

FIXED INCOME & CURRENCIES:

- **US TREASURY YIELD fell as markets consolidated following big gains over the last month; market participants are used to the Fed's less dovish stance in the face of stronger-than-expected economic data.** The yield on the benchmark 10-year US Treasury note fell 2.1 basis points to 4.075%, from 4.096% on Thursday afternoon. The yield on the 2-year US Treasury note, which typically moves in line with interest rate expectations, fell 3.7 basis points to 3.95%, from 3.987% on Thursday afternoon.

- **The US DOLLAR slipped after 5 consecutive sessions of gains as risk appetite improved following China's stimulus announcement. However, the greenback looks set to record its third consecutive weekly gain.** The DOLLAR INDEX (DXY), which measures the greenback's strength against a basket of currencies including the Yen and Euro, fell 0.28% to 103.49, with the Euro up 0.3% at USD 1.0864. Against the Japanese Yen, the Dollar weakened 0.45% to 149.53.

ASIA & EUROPEAN MARKETS: Data on Friday showed CHINA'S economy grew at its slowest pace since early 2023 in the third quarter. CHINA 3Q GDP grew 4.6% yoy, above the 4.5% forecast in a Reuters poll but below the 4.7% pace in the second quarter. Industrial output and retail sales increased and beat expectations, but the property sector remained mired in decline. This morning will see another interest rate decision from the PEOPLE'S BANK OF CHINA (PBOC), where consensus expects them to lower the 5Y (Oct) Loan Prime Rate to 3.65%, from 3.85% previously, as well as the short-term benchmark rate to 3.15%, from 3.35%.

- **CHINA STIMULUS: China's central bank launched two funding schemes on Friday that will initially inject as much as 800 billion Yuan (USD 112.38 billion) into the stock market through newly created monetary policy instruments.** The PBOC outlined the operational details of the swap and re-lending schemes first announced in late September, which aim to support the stable development of the capital market.

INDONESIA: President-elect PRABOWO SUBIANTO and Vice President GIBRAN RAKABUMING RAKA officially entered the State Palace after the inauguration ceremony on Sunday (20/10/24) at Nusantara Building, parliament complex, Jakarta, at 10.00 WIB. Later that evening, the eighth president of Indonesia also announced the composition of his cabinet, named the Merah Putih Cabinet. He announced at least 48 ministers and five ministerial-level officials in his cabinet, as well as 56 deputy ministers to serve the 2024-2029 period. A number of ministers from the Joko Widodo administration are returning to Prabowo's cabinet, including Sri Mulyani, Bahlil Lahadalia, Tito Karnavian, and Budi Arie Setiadi. In his maiden speech before lawmakers, Prabowo discussed a variety of issues, ranging from corruption, poverty, food self-sufficiency, energy self-sufficiency, downstream commodities, to Palestine.

Corporate News

ASDF: Bonds Maturing, Astra Sedaya Prepares IDR 191 Billion Funds

PT Astra Sedaya Finance (ASDF) has prepared funds of IDR 191.71 billion to pay off bonds that will mature on November 6, 2024. The funds are for the repayment of principal and interest coupons for Astra Sedaya Finance Sustainable Bond VI Phase II Year 2023 Series A. Based on IDX Regulation No. I- dated January 29, 2021 concerning Obligation to Submit Information, the Company is required to submit the readiness of funds for the repayment of debt securities no later than 15 trading days before maturity. ASDF management ensures that this bond repayment has no impact on the company's operational activities, legal, financial condition, or business continuity. (IDX Channel)

Domestic News

Encouraging Local Governments to Issue Bonds/Sukuk, Government Collaborates with IFC

The Coordinating Ministry for Economic Affairs and the International Finance Corporation (IFC) have established cooperation to encourage local governments to issue regional bonds/sukuk. This was marked by the signing of an Advisory Engagement Letter by Deputy for Macroeconomic and Financial Coordination of the Coordinating Ministry for Economic Affairs Ferry Irawan and IFC, a member of the World Bank Group, represented by Manager Upstream & Advisory, INR Asia Pacific Department IFC Victoria Delmon. After the issuance of Law Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments (HKPD) and Government Regulation Number 1 of 2024 concerning Harmonization of National Fiscal Policy (HKFN), the Deputy for Macroeconomic and Financial Coordination of the Coordinating Ministry for Economic Affairs together with the Director General of Fiscal Balance of the Ministry of Finance, the Director General of Regional Financial Development of the Ministry of Home Affairs, and the Deputy for Economics of the Ministry of PPN / Bappenas, have actively encouraged Regional Governments to develop creative financing to meet the high needs of regional infrastructure development amidst budget constraints from the Central and Regional Governments themselves. One of the creative financing instruments that can be chosen by the Regional Government as stipulated in the HKPD Law and HKFN PP is regional bonds and / or regional sukuk. (Kontan)

Recommendation

US10YT seems stuck at the yield resistance level of 4.10%, with the tendency of RSI negative divergence. Could be an indication of a temporary yield pullback to the Support level of 4.07% or Neckline 4.02%, or up to MA20 / yield 3.95%. ADVISE: assume the yield uptrend is still intact if the yield is still above MA10; with the upside TARGET still the same at 4.30%. However, it's best to set your Trailing Stop, to anticipate where the bond price will go next.

ID10YT seems to still need to find a more solid Support to stop the rate of decline in yield, most likely will approach MA50 & MA20 in the range: 6.615% - 6.590% . Conversely, if the yield rises above MA10 / 6.70%, then the bullish swing continues towards 6.80%. ADVISE: HOLD; WAIT & SEE where the yield moves to determine price's direction.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	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)	3.26	2.90	Govt. Spending Yoy	1.42%	19.90%
Exports Yoy	6.44%	7.13%	FDI (USD bn)	4.89	6.03
Imports Yoy	8.55%	9.46%	Business Confidence	104.82	104.30
Inflation Yoy	1.84%	2.12%	Cons. Confidence*	123.50	124.40

PRICE OF BENCHMARK SERIES

FR0090 : 97.33 (-0.01%)
FR0091 : 99.35 (+0.10%)
FR0092 : 102.26 (-0.05%)
FR0094 : 97.01 (+0.00%)

FR0086 : 98.84 (-0.02%)
FR0087 : 99.89 (-0.01%)
FR0083 : 105.56 (+0.01%)
FR0088 : 96.58 (-0.10%)

CDS of Indonesia Bonds

CDS 2yr: +1.18% to 31.61
CDS 5yr: +0.78% to 68.68
CDS 10yr: +0.78% to 118.76

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.66%	-0.00%
USDIDR	15,465	-0.19%
KRWIDR	11.31	0.07%

Global Indices

Index	Last	Chg.	%
Dow Jones	43,275.91	36.86	0.09%
S&P 500	5,864.67	23.20	0.40%
FTSE 100	8,358.25	(26.88)	-0.32%
DAX	19,657.37	73.98	0.38%
Nikkei	38,981.75	70.56	0.18%
Hang Seng	20,804.11	725.01	3.61%
Shanghai	3,261.56	92.18	2.91%
Kospi	2,593.82	(15.48)	-0.59%
EIDO	22.56	0.08	0.36%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,721.5	28.8	1.07%
Crude Oil (\$/bbl)	69.22	(1.45)	-2.05%
Coal (\$/ton)	145.40	(0.35)	-0.24%
Nickel LME (\$/MT)	16,897	(108.0)	-0.64%
Tin LME (\$/MT)	31,313	95.0	0.30%
CPO (MYR/Ton)	4,255	(23.0)	-0.54%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	US	21.00	Leading Index	-	-	-	-
21 – October							
Tuesday	-	-	-	-	-	-	-
22 – October							
Wednesday	US	21.00	Existing Home Sales	-	Sep	3.90m	3.86m
23 – October	US	18.00	MBA Mortgage Applications	-	Oct 18	-	-17.0%
Thursday	US	19.30	Initial Jobless Claims	-	Oct 19	259k	258k
24 – October	US	20.45	S&P Global US Manufacturing PMI	-	Oct P	-	47.3
	US	21.00	New Home Sales	-	Sep	713k	716k
Friday	US	19.30	Durable Goods Order	-	Sep P	-1.0%	0.0%
25 – October	US	21.00	University of Michigan Sentiment	-	Oct F	69.5	68.9

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

Member of Indonesia Stock Exchange

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 Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

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 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