

Today's Outlook:

MARKET SENTIMENT:

- The US Labor Department's JOLTS JOB OPENINGS survey showed job openings stood at 7.44 million in September, compared with a forecast of 8 million, according to a Reuters poll of economists. This data will be followed by ADP NONFARM EMPLOYMENT CHANGE (Oct) later tonight at around 1915WIB, which is the set of labor data that precedes the highly anticipated NONFARM PAYROLL (Oct) on Friday. On the one hand, CB Consumer Confidence stated that consumer optimism increased in Oct. This report to the highest level since last February. Later tonight there are a number of other important data: preliminary estimates of Q3 GDP, Core PCE Prices (Q3), and Pending Home Sales (Sept), and from the Energy sector is the official US government data on US Crude Oil Inventories.

- The US election on November 5 has entered its final stretch, with polls still too tight to determine a winner in the race between Vice President KAMALA HARRIS, the Democratic candidate, and former Republican President DONALD TRUMP. Market analysts consider it natural for high volatility in the market to increase this week with a myriad of focuses for market participants.

**FIXED INCOME & CURRENCY:** The benchmark 10-year US TREASURY YIELD hit an almost 4-month high as investors were somewhat reluctant to buy the bond ahead of next week's US Election; but then the yield fell after a strong auction of 7-year bonds. As such, the latest 10-year US Treasury yield is down 0.6 basis points at 4.272%.

- JAPANESE YEN found its footing after Monday's drop to a 3-month low as the coalition government's crushing defeat in Japan's weekend election clouded Japan's fiscal and monetary policy outlook. The US DOLLAR was last up 0.12% on the day at 153.47 Yen. BANK OF JAPAN will announce its monetary policy decision on Thursday, and consensus expects interest rates to remain unchanged. Prime Minister Shigeru Ishiba's Liberal Democratic Party and its junior partner Komeito lost their majority in parliament, potentially meaning greater fiscal spending and complicating the BOJ's push to normalize interest rates. The leader of the opposition Democratic Party for the People said on Tuesday that the central bank should avoid making major changes in its ultra-loose monetary policy as real wage growth remains stalled.

- The DOLLAR INDEX (DXY), which measures the greenback's strength against a basket of currencies, rose 0.01% to 104.27, with the Euro down 0.03%.

**COMMODITIES:** OIL prices closed slightly lower after plunging more than 6% in the previous session. Media reported that ISRAEL Prime Minister Benjamin Netanyahu will hold a meeting for a diplomatic solution to the war in Lebanon. BRENT crude fell 30 cents, or 0.4%, to USD 71.12/barrel, while US WTI shed 0.3%, to USD 67.21/barrel.

**ASIA & EUROPE MARKETS:** GFK GERMANY Consumer Climate for Nov was still rather pessimistic overall, although sentiment started to improve slightly. Perhaps the Unemployment Rate figures as well as the preliminary Q3 GDP & CPI (Oct) estimates for GERMANY scheduled for publication today will be more likely to shape sentiment in European markets. Speaking of GDP, there will also be preliminary figures from EUROZONE regarding their economic growth in Q3, where expectations revolve around a percentage of 0.8% yoy, hopefully up from 0.6% in the previous quarter.

Corporate News

Pefindo Assigns idA Rating with Stable Outlook to Allo Bank (BBHI)

Pefindo assigned an idA rating with a stable outlook to PT Allo Bank Indonesia Tbk (IDX: BBHI). The rating reflects a strong likelihood of support from PT CT Corpora (CT Corpora or the Group), strong business synergies with the Group, and a very strong capital profile. However, the rating is constrained by a concentrated loan portfolio, underdeveloped retail funds, and exposure to the unsecured consumer segment with limited credit history. The rating may be upgraded if Pefindo sees a much stronger level of support from the Group. The ratings may also be upgraded if Allo Bank strengthens its business position in a sustainable manner by continuing to strengthen its diversified credit and funding profile. Conversely, the ratings may be downgraded if Pefindo sees a significant weakening in the level of support from the Group, which may be reflected in a significantly lower level of control, or if Allo Bank's business or financial performance declines significantly without any strong indication of support from the Group. (Emiten News)

Domestic News

Government Raises IDR 18.85 Trillion from Auction of 8 SUN Series Yesterday

The Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, announced the results of the auction of Government Securities (SUN) which was held on Tuesday (29/10/2024). The total incoming bids from 8 debt securities sold reached IDR 29.580 trillion. Of the total incoming bids for the 8 series of debt securities, the government won IDR 18.85 trillion. Quoted from the official statement of DJPPR, one of the series with the highest bid value is FR0103, whose value exceeded IDR 5.701 trillion. However, the nominal amount won was IDR 2.1 trillion. Meanwhile, the SPN12251030 series, whose bid value is only IDR 3.525 trillion, is the series with the largest auction result with a nominal amount won of IDR 3.3 trillion. The SPN12251030 series recorded a weighted average yield won of 6.15% and the highest yield won was the same at 6.15%. Meanwhile, the coupon rate is discounted with a maturity date of October 30, 2025. Meanwhile, the 8 SUN series auctioned today consist of the SPN03250129 series (new issuance), SPN12251030 (new issuance), FR0104 (reopening), FRSDG001 (reopening), FR0103 (reopening), FR0098 (reopening), FR0097 (reopening) and FR0105 (reopening) through the Bank Indonesia auction system. (Pasardana)

Recommendation

US10YT formed a SHOOTING STAR-like candle in the yield Resistance area of 4.305% as predicted, when RSI appeared negative divergence. ADVISE: anticipate an immediate yield decline, thus strengthening bond prices in sight; although actually the yield uptrend is still safely under control as long as the yield moves above MA10. Nearest yield support: 4.18%.

On the contrary, ID10YT seems to be more determined to break the Resistance and continue the yield strengthening towards the next TARGET: 6.93% up to 7.0% psychological level, despite RSI negative divergence. Nearest yield support: 6.78% - 6.75%.

PRICE OF BENCHMARK SERIES

FR0090 : 97.08 (-0.08%)

FR0091 : 97.71 (-0.39%)

FR0092 : 101.16 (-0.06%)

FR0094 : 97.26 (+0.00%)

FR0086 : 98.69 (-0.05%)

FR0087 : 98.63 (-0.51%)

FR0083 : 104.53 (-0.20%)

FR0088 : 96.06 (-0.57%)

CDS of Indonesia Bonds

CDS 2yr: -0.35% to 31.46

CDS 5yr: -0.23% to 68.42

CDS 10yr: -0.25% to 117.87

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.86%	0.04%
USDIDR	15,760	0.22%
KRWIDR	11.40	0.44%

Global Indices

Index	Last	Chg.	%
Dow Jones	42,233.05	(154.52)	-0.36%
S&P 500	5,832.92	9.40	0.16%
FTSE 100	8,219.61	(66.01)	-0.80%
DAX	19,478.07	(53.55)	-0.27%
Nikkei	38,903.68	298.15	0.77%
Hang Seng	20,701.14	101.78	0.49%
Shanghai	3,286.41	(35.79)	-1.08%
Kospi	2,617.80	5.37	0.21%
EIDO	21.54	(0.19)	-0.87%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,774.7	32.3	1.18%
Crude Oil (\$/bbl)	67.21	(0.17)	-0.25%
Coal (\$/ton)	145.25	0.75	0.52%
Nickel LME (\$/MT)	15,873	(142.0)	-0.89%
Tin LME (\$/MT)	31,084	(345.0)	-1.10%
CPO (MYR/Ton)	4,637	108.0	2.38%

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

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>	-	-	-	-	-	-	-
28 – October							
<b>Tuesday</b>	JP	06.30	Jobless Rate	2.4%	Sep	2.5%	2.5%
29 – October	US	21.00	Conf Board Consumer Confidence	108.7	Oct	98.8	98.7
<b>Wednesday</b>	US	18.00	MBA Mortgage Applications	-	Oct 25	-	-6.7%
30 – October	US	18.00	ADP Employment Change	-	Oct	98k	143k
	US	18.00	GDP Annualized QoQ	-	3Q A	-	3.0%
<b>Thursday</b>	US	19.30	Initial Jobless Claims	-	Oct 26	-	227k
31 – October	US	20.45	MNI Chicago PMI	-	Oct P	-	46.6
	US	20.45	Personal Income	-	Oct P	0.4%	0.2%
	US	21.00	Personal Spending	-	Sep	0.4%	0.2%
<b>Friday</b>	US	19.30	Change in Nonfarm Payrolls	-	Oct	120k	254k
01 – November	US	19.30	Unemployment Rate	-	Oct	4.1%	4.1%
	US	20.45	S&P Global US Manufacturing PMI	-	Oct F	-	47.8
	US	21.00	ISM Manufacturing	-	Oct	47.6	47.2

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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