

# Morning Briefing

Daily | October 31, 2024

## Today's Outlook:

- **ECONOMIC INDICATORS:** Data showed that job creation in the US private sector surged in October to 233k, compared to 110k forecast. On the other hand, the preliminary estimate of US 3Q GDP showed a rather sluggish 3Q economic growth at 2.8% qoq, rather than 3.0% forecast and in line with the previous quarter. NONFARM PAYROLL, the climactic employment sector data scheduled for release on Friday, forecasts 113,000 jobs in October (according to a Reuters poll of economists), but analysts note the number could be lower due to recent hurricane disruptions in some areas including Florida and North Carolina. By tonight, a number of important new data await: PCE PRICE INDEX (Sept), INITIAL JOBLESS CLAIMS, PERSONAL SPENDING (Sept).

- **US ELECTIONS:** A recent Reuters/Ipsos poll showed Vice President KAMALA HARRIS, a Democrat, outperforming Republican DONALD TRUMP by 44% to 43% among registered voters nationwide, within the margin of error. Other polls show tight margins in seven electoral battleground states.

## EUROPEAN & ASIAN MARKETS:

- **Speaking of GDP, GERMANY** released a much better than expected economic growth where in Q3 their GDP came in at 0.2% qoq, bouncing back from a (near) recession in the previous quarter of -0.3%. Similarly, EUROZONE showed their economy grew faster than expected in the last quarter, at 0.4% qoq, compared to forecast & Q2 at 0.2%. On the one hand, GERMAN CPI for Oct supported this economic growth as their Inflation rose in Oct to 2.0% yoy, 0.2% hotter than forecast & 0.4% higher than the previous month. This afternoon, it is the EUROZONE's turn to report their preliminary CPI (Oct) and Unemployment Rate (Sept) figures.

- **CHINA this morning is set to announce their PMI conditions** where both Manufacturing and Services sectors are able to stand in expansionary territory. Afterwards, BANK OF JAPAN's decision on interest rate will be in the spotlight, consensus expect it to remain unchanged at 0.25%.

**COMMODITIES:** GOLD rose to an all-time high as uncertainty over the November 5th US ELECTION increased safe haven demand. Spot gold prices rose 0.5% to USD 2,788.87/ounce, after hitting a record high of USD 2,789.73 earlier in the session.

- **In the energy market, OIL prices bounced back** from early week declines, supported by data on Wednesday showing US crude oil and gasoline inventories unexpectedly fell last week to a 2-year low thanks to strengthening demand; and OPEC+ is expected to postpone production increases originally planned for December. After falling more than 6% last week due to the easing of potential escalation of the MIDDLE EAST CONFLICT, BRENT crude oil prices finally closed up 2.01%, at USD 72.55/barrel. Meanwhile, the price of US WTI crude oil jumped 2.08%, to USD 68.61.

**CURRENCY & FIXED INCOME:** The DOLLAR weakened against other major currencies after stronger-than-expected US labor data and the UK budget release. The DOLLAR INDEX (DXY), which measures the strength of the USD against six other major currencies, rose to 104.43 early in the session but was last down 0.17% to 104.06. POUNDSTERLING, which fell as much as 0.6% as Reeves delivered the Labor government's first budget, was last down 0.34% at USD 1.2971.

- **The benchmark 10-year US TREASURY YIELD pared earlier losses** and short-term yields rose on strong US economic data ahead of Friday's jobs report. The yield on the 10-year note was last down 1 basis point at 4.264%, after hitting a nearly four-month peak of 4.339% on Tuesday.

## Corporate News

### Danareksa: Danareksa's IDR 380 Billion Bonds Will Maturity Early 2025

PT Pemeringkat Efek Indonesia (Pefindo) noted that Bond VIII Year 2023 Series A (iAa rating) issued by PT Danareksa (Persero) worth IDR 380 billion will mature on January 19, 2025. "The company plans to pay off the maturing bonds using a combination of internal and external funds. As of September 30, 2024, Danareksa recorded bank placements of IDR 520 billion and undrawn credit facilities of IDR 1.6 trillion," wrote Pefindo in an official statement quoted on Thursday, October 31, 2024. Danareksa is a cross-sectoral holding State-Owned Enterprise (BUMN) based on Government Regulation (PP) No.113 of 2021. Based on Government Regulation No.7 of 2022, the Government strengthens Danareksa's function as the parent holding of transformation specialists with the first phase of the holding managing ten subsidiaries, namely PT Nindya Karya, PT Kilirng Berjangka Indonesia, PT Kawasan Industri Medan, PT Kawasan Industri Wijayakusuma, PT Kawasan Industri Makassar, PT Kawasan Berikat Nusantara, PT Balai Pustaka, PT Perusahaan Pengelola Aset, PT Jakarta Industrial Estate Pulogadung and PT Surabaya Industrial Estate Rungkut, in addition to the existing subsidiaries. (Media Asuransi News)

## Domestic News

### Government Targets IDR 9 Trillion from Sukuk Auction on November 5

The government is holding another auction of State Sharia Securities (SBSN) or State Sukuk on Tuesday, November 5, 2024. The indicative target is set at IDR 9 trillion to meet part of the financing target in the 2024 State Budget. Quoting the official statement of the Directorate of Sharia Financing, Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, Tuesday (29/10/2024), the SBSN series to be auctioned are the SPN-S series (State Treasury Securities - Sharia) and PBS (Project Based Sukuk). The auction starts at 09.00 WIB and closes at 11.00 WIB. Meanwhile, the auction results will be announced on the same day. The settlement date will be held on November 7, 2024 or 2 working days after the auction date (T+2). Here are the main terms & conditions of the SBSN that will be auctioned: SPNS29052025 (reopening), maturity date May 29, 2025 with a discounted yield, SPNS04082025 (new issuance), maturity date August 4, 2025 and with a discounted yield, PBS032 (reopening), maturing on July 15, 2026 with a yield of 4.87500%, PBS030 (reopening), due July 15, 2028 and at a yield of 5.87500%, PBS004 (reopening), due February 15, 2037 and at a yield of 6.10000%, PBS039 (reopening), due July 15, 2041 and at a yield of 6.62500%, PBS038 (reopening), due December 15, 2049 and at a yield of 6.87500%. (Pasardana)

## Recommendation

**US10YT** is still stuck around the yield Resistance of 4.305%, although the Shooting Star candle was followed by a similar Hanging Man candle, but actually it has not harmed the ongoing uptrend as the yield is still steady moving above MA10 (= making yield 4.23% as the closest Support at the moment). Only the signal from RSI slightly negative divergence indicates there is potential for a temporary yield pullback first. ADVISE: investors may want to prepare themselves for a rebound in bond prices soon, as the US Election is approaching next week.

**ID10YT** is still within Resistance area, waiting for the right trigger to go beyond 6.868% yield. Indicator-wise, RSI negative divergence is lurking with a potential yield pullback temporarily, towards Support: 6.76% - 6.72%. ADVISE: anticipate bond price strengthening soon, although the yield uptrend must be recognized as still intact.

## 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 : 97.01 (-0.07%)  
FR0091 : 97.71 (+0.00%)  
FR0092 : 101.20 (+0.04%)  
FR0094 : 97.01 (+0.00%)

FR0086 : 98.69 (+0.00%)  
FR0087 : 98.71 (+0.09%)  
FR0083 : 104.70 (+0.17%)  
FR0088 : 96.00 (-0.06%)

## CDS of Indonesia Bonds

CDS 2yr: +0.67% to 31.68  
CDS 5yr: +0.54% to 68.79  
CDS 10yr: +0.56% to 118.53

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.84%	-0.02%
USDIDR	15,700	-0.38%
KRWIDR	11.39	-0.12%

## Global Indices

Index	Last	Chg.	%
Dow Jones	42,141.54	(91.51)	-0.22%
S&P 500	5,813.67	(19.25)	-0.33%
FTSE 100	8,159.63	(59.98)	-0.73%
DAX	19,257.34	(220.73)	-1.13%
Nikkei	39,277.39	373.71	0.96%
Hang Seng	20,380.64	(320.50)	-1.55%
Shanghai	3,266.24	(20.17)	-0.61%
Kospi	2,593.79	(24.01)	-0.92%
EIDO	21.55	0.01	0.05%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,787.6	12.9	0.46%
Crude Oil (\$/bbl)	68.61	1.40	2.08%
Coal (\$/ton)	145.00	(0.25)	-0.17%
Nickel LME (\$/MT)	15,816	(57.0)	-0.36%
Tin LME (\$/MT)	30,950	(134.0)	-0.43%
CPO (MYR/Ton)	4,696	59.0	1.27%

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	-0.1%	Oct 25	-	-6.7%
30 – October	US	18.00	ADP Employment Change	233k	Oct	111k	143k
	US	18.00	GDP Annualized QoQ	2.8%	3Q A	2.9%	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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