

Today's Outlook:

ECONOMIC INDICATORS: Focus this week was squarely on upcoming consumer price index inflation data for October, for more signs that inflation is easing. The reading comes just a week after the Fed cut interest rates by 25 basis points, and reiterated that future easing will be largely dependent on the path of inflation. This week's CPI data is expected to factor into the outlook for rates. While U.S. inflation did fall earlier in the year, it turned sticky in recent months amid persistent strength in the economy and the labor market. Beyond the CPI data, focus this week is also on addresses by a string of Fed officials, who are expected to offer more insight into the central bank's plans for interest rates. Futures on the federal funds rate have priced in another 25-basis-point rate cut next month, as well as another 67 bps of reductions for 2025.

ASIA & EUROPEAN MARKETS: Asia-Pacific markets fell Monday after China's latest stimulus measures underwhelmed and its October inflation numbers came in lower than expected, prompting concerns over the recovery in the world's second-largest economy. Beijing announced a five-year stimulus package worth 10 trillion yuan (\$1.4 trillion) to tackle local government debt problems on Friday. However, some analysts doubt it is enough to meaningfully stimulate growth. The country's inflation rate declined to 0.3%, missing expectations of 0.4% and also lower than the 0.4% seen in September. Inflation fell for a second straight month and dropped to its lowest in four months, LSEG data showed.

FIXED INCOME & CURRENCY: The U.S. Treasury market was closed Monday for the Veterans Day holiday following sharp postelection moves last week. This week, investors are awaiting the latest inflation reading due on Wednesday as well as the consumer and producer prices data for October set to be published later this week. The consumer data will provide insights about the health of the U.S. economy. Fed funds futures however showed traders see a 65% chance that the Fed will follow last week's quarter point cut with another at its Dec. 17-18 meeting, even as easing expectations for next year were dialed back. The U.S. dollar rose Monday, continuing the positive tone generated by the new Trump presidency ahead of the release of key inflation data and with a number of Federal Reserve speakers due this week. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.3% higher to 105.207, after gaining 0.6% last week. While the greenback's rally was stalled by an interest rate cut by the Federal Reserve, it still retained a bulk of its recent gains.

- The U.S. dollar index was 0.56% firmer at 105.59, after hitting 105.50, its highest since July. Last week, it jumped more than 1.5% to 105.44, after U.S. election results showed Trump's victory. The Dollar Index slightly overshot the highs seen right after the U.S. presidential election with markets still waiting for clarity about future U.S. policy. The sensitivity of the euro to the threat of higher U.S. import tariffs was evident late on Friday when media reported that President-elect Donald Trump was lining up Robert Lighthizer, seen as a hawk on trade, to run his trade policy, analysts said.

- China's yuan continued to depreciate as investors became disillusioned by the country's ineffective stimulus packages. On Monday, China kicks off its Singles' Day — the equivalent of Black Friday in the country. A note from ING on Friday said that Singles' Day will show how consumption was faring in China.

- The EU's single currency was down 0.61% at \$1.0654. It had dropped as low as 1.0629, the lowest level since mid-April this year which was weighed down by investor worries about possible tariffs by a new White House administration which could hurt the euro area's economy. The euro has edged lower since Donald Trump won the U.S. presidential election last week, sparking concerns about possible tariffs by his incoming administration.

INDONESIA: On Monday, October's Consumer Confidence declined to 121.1 pts and October's Car Sales continued its decline by -3.9% YoY. Today, we are expecting September's Retail Sales to be released with lower forecasted growth than previous months (TradingEconomics Forecast: 2.5% YoY / Our Forecast: 2.5-3% YoY)

Domestic News

Government Debt Rises to IDR 8,473.9 Trillion

The realization of government debt has reached IDR 8,473.9 trillion as of 30 September 2024. The amount of debt is dominated by Government Securities (SBN) instruments. The debt ratio as of the end of September 2024 amounted to 38.55% of gross domestic product (GDP). If broken down by instrument, the composition of government debt is mostly in the form of SBN which reached IDR 7,483.09 trillion (88.31%) and loans amounting to IDR 990.81 trillion (11.69%). The composition of SBN is divided into domestic SBN amounting to IDR 6,103.90 trillion (72.03%) and foreign exchange (forex) amounting to IDR 1,379.19 trillion (16.28%). Domestic SBN includes state debt securities amounting to IDR 4,871.6 trillion and state sharia securities worth IDR 1,232.30 trillion. Foreign currency SBN is divided into state debt securities amounting to IDR 1,045.64 trillion and state sharia securities worth IDR 333.55 trillion. Based on data from the Ministry of Finance at the end of September 2024, ownership of domestic SBN was dominated by domestic investors with an ownership portion of 85.3%. Meanwhile, foreigners only own around 14.7% of domestic SBN including ownership by foreign governments and central banks. For financial institutions, SBN plays an important role in meeting investment needs and liquidity management, as well as being one of the risk mitigation instruments. (Investor Daily)

Corporate News

BUMI: Pefindo Update on Bakrie Group Rating

PEFINDO affirmed the idA+ rating with a stable outlook for PT Bumi Resources Tbk (BUMI). The rating reflects BUMI's strong business position and adequate mining reserves and resources. The rating is constrained by its moderate cash cost position, concentrated business, and exposure to fluctuating commodity prices and environmental risks. The rating could be upgraded if BUMI can reduce its cash cost position which will improve the Company's profit margin and strengthen its operation management. The rating could also be upgraded if BUMI successfully diversifies its business and derives significant revenue from business sources other than thermal coal while maintaining current coal production levels. The ratings could also be downgraded if the Company's revenue or EBITDA is significantly below target which could worsen its capital structure and cash flow protection measures. A decline in revenue resulting from lower coal prices could also put pressure on the Company's ratings. (Emiten News)

Recommendation

YIELD US TREASURY has broken down below MA10 dynamic support in 4.32% after reaching the major trendline resistance in 4.84%. The downturn reversal comes in the weakening stage of the rally after US 10 Year Treasury Yield formed a positive divergence in RSI during September, which signaled a major imminent rebound. With the US 10 Year Treasury Yield going from a rally to a sideways trend, we view the yield may be fluctuating with low-volatility post-presidential election and post-Fed Rate cut from last week. The fluctuation channel resistance is 4.38% / 4.43%, and support is 4.27% / 4.21%. **ADVICE:** Be Prepared for less whipsaws this week in comparison to last week.

YIELD ID TREASURY 10-Year broke down from the trendline support in 6.77% as investors hold confidence in Indonesia's more outwardly international political posturing following Prabowo's plan to register to BRICS, and Prabowo's current international tour, with his current landing in The United States and his previous meeting with Xi Jinping to ensure cooperative investments into Indonesia. **ADVICE:** Prepare for the yield to continue to tick downwards in the face of Indonesia's major international political maneuverings 6.78%. We view the Indonesia's 10 Year Yield's downward trend may continue to 6.70% support before stabilizing. Yesterday, despite the ID10Y formed an opening gap, it has remained within the sideways channel formed from the beginning of November. **ADVICE:** Prepare for yields to continue to tick downwards in the face of Indonesia's major international political maneuverings for further-reaching cooperations.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	6.00%	6.00%	Real GDP	4.95%	5.05%
FX Reserve (USD bn)	151.23	149.90	Current Acc (USD bn)	-3.02	-2.16
Trd Balance (USD bn)	3.26	2.90	Govt. Spending Yoy	4.62%	1.42%
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	1.71%	1.84%	Cons. Confidence*	121.10	123.50

PRICE OF BENCHMARK SERIES

FR0090 : 97.084 (+0.04%)
FR0091 : 98.320 (+0.04%)
FR0092 : 101.550 (-0.11%)
FR0094 : 96.800 (+0.00%)

FR0086 : 98.646 (-0.02%)
FR0087 : 99.113 (+0.19%)
FR0083 : 105.072 (-0.05%)
FR0088 : 96.142 (-0.06%)

CDS of Indonesia Bonds

CDS 2yr: -0.27% to 31.940
CDS 5yr: -0.25% to 68.926
CDS 10yr: -0.27% to 118.845

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.75%	0.01%
USDIDR	15,680	0.06%
KRWIDR	11.20	-0.13%

Global Indices

Index	Last	Chg.	%
Dow Jones	44,293.13	304.14	0.69%
S&P 500	6,001.35	5.81	0.10%
FTSE 100	8,125.19	52.80	0.65%
DAX	19,448.60	233.12	1.21%
Nikkei	39,533.32	32.95	0.08%
Hang Seng	20,426.93	(301.26)	-1.45%
Shanghai	3,470.07	17.77	0.52%
Kospi	2,531.66	(29.49)	-1.15%
EIDO	20.37	(0.27)	-1.31%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,618.8	(66.0)	-2.46%
Crude Oil (\$/bbl)	68.04	(2.34)	-3.32%
Coal (\$/ton)	142.25	(1.10)	-0.77%
Nickel LME (\$/MT)	16,108	(289.0)	-1.76%
Tin LME (\$/MT)	31,279	(369.0)	-1.17%
CPO (MYR/Ton)	5,196	95.0	1.86%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	JP	06.50	BoP Current Account Balance	-	Sep	¥ 3432.5B	¥ 3803.6B
11 – November							
Tuesday							
12 – November							
Wednesday	US	19.00	MBA Mortgage Applications	-	Nov 8	-	-10.8%
13 – November	US	20.30	CPI MoM	-	Oct	0.2%	0.2%
	US	20.30	CPI YoY	-	Oct	2.6%	2.4%
Thursday	US	20.30	Initial Jobless Claims	-	Nov 9	-	221k
14 – November	US	20.30	PPI Final Demand MoM	-	Oct	0.2%	0.0%
Friday	ID	11.00	Imports YoY	-	Oct	8.20%	8.55%
15 – November	ID	11.00	Exports YoY	-	Oct	2.90%	6.44%
	ID	11.00	Trade Balance	-	Oct	USD 2600m	USD 3257m
	US	20.00	Empire Manufacturing	-	Nov	3.5	-11.9
	US	22.00	Retail Sales Advance MoM	-	Oct	0.3%	0.4%
	US	21.15	Industrial Production MoM	-	Oct	-0.2%	-0.3%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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