

Today's Outlook:

MARKET SENTIMENT: US President-elect DONALD TRUMP ended weeks of speculation when he announced the name of his Treasury Secretary, with some investment strategists saying Bessent could take steps to contain further government borrowing. Bessent's appointment has eased some fiscal concerns about possible new tariffs, which had pushed bond yields higher ahead of the election. Bessent is known for calling for tax reform & deregulation for US companies. He also opposes the imposition of overly restrictive trade tariffs, which is expected to reduce the prospect of a trade war under the Trump administration. US Treasury yields fell sharply, with 30-year bonds leading the overall decline in yields.

The hope that Trump, along with the Republican Congress, can keep his promise of business-friendly policies has been the latest boost for small -cap companies. They have been in the spotlight since the US Federal Reserve started its monetary policy easing cycle in September. The low interest rate policy could help the interest rate-sensitive Real Estate sector move up, while the Housing index also jumped 4.5%. However, concerns remain that inflationary pressures could surge and slow down the pace of the Fed's monetary policy easing. Investors have recently faced a dilemma between expectations of a pause versus further rate cuts at the December FOMC MEETING. The CME FedWatch survey shows a 56.2% probability that the central bank will cut rates by another 25 basis points. The PCE PRICE INDEX, the central bank's favorite inflation gauge, will be of interest to US investors later this week, who will enjoy the Thanksgiving holiday. More Property sector data today will also be monitored, such as: Building Permits and New Home Sales both for Oct. Market participants will also look forward to the Conference Board Consumer Confidence (Nov) figures which are likely to be stronger than Oct.

EUROPE & ASIA MARKETS: GERMANY Ifo Business Climate Index (Nov) expects business climate to remain challenging for the next 6 months. This afternoon BANK OF JAPAN will release Core CPI with forecast of 1.8% yoy versus previous 1.7%.

COMMODITIES: OIL prices dropped more than USD 2 per barrel on Monday after ISRAEL and LEBANON were alleged to have agreed on the terms of a deal to end the ISRAEL-HIZBULLAH CONFLICT, citing unnamed senior US officials. BRENT crude oil closed at USD 73.01/barrel, down USD 2.16, or 2.87%. US WTI crude ended at USD 68.94 per barrel, plummeting USD 2.30 or 3.23%. Israel said on Monday that it was moving towards a ceasefire in the war with Hezbollah but there were still issues to overcome, while Lebanese officials voiced cautious optimism but said Israeli Prime Minister Benjamin Netanyahu could not be trusted. Both Brent and US WTI contracts last week recorded their biggest weekly gains since late September to reach their highest settlement levels since November 7 after Russia fired hypersonic missiles into Ukraine as a warning to the United States and Britain following Ukraine's attack on Russia using US and UK weapons.

OPEC+, at its next meeting on Sunday 1 December, may consider halting current oil output cuts from January 1, Azerbaijan's Energy Minister Parviz Shahbazov told Reuters. The group has delayed production increases this year amid fears of sluggish global demand.

NHKS RESEARCH thinks Indonesian investors need to consider feasible yields considering foreign appetite has not yet entered the market. The RUPIAH exchange rate is still threatened to be steady in the range of 15800s to 16000 in the last month of 2024, although the decline in US Treasury yields & Dollar Index has raised hopes for a slight weakening of the USD. If Rupiah is able to "strengthen" below 15790 then there is a chance to go to 15580- 15400.

Domestic News

SUN Auction November 26, 2024: Here are 8 Series Details Offered

The government held an auction of rupiah-denominated Government Securities (SUN) on Tuesday (26/11). Based on the announcement of the Directorate General of Debt Management of the Ministry of Finance, the government set an indicative target of IDR 22 trillion with a maximum target of IDR 33 trillion. There will be eight series of SUN auctioned on November 29, 2024, consisting of SPN (State Treasury Securities) and ON (State Bonds) series. The proceeds will be used to fulfill part of the financing target in the 2024 State Budget. The auction will open on Tuesday (26/11) at 09.00 WIB and close at 11.00 WIB. The auction settlement date is on Thursday, November 28, 2024. The following are the details of SUN that will be auctioned on November 26, 2024: SPN03250226 (New Issuance), SPN12251127 (New Issuance), FR0104 (Reopening), FR0103 (Reopening), FR0098 (Reopening), FR0097 (Reopening), FR0102 (Reopening) and FR0105 (Reopening). (Data Indonesia Id)

Corporate News

HRTA: PEFINDO Affirms idA Rating for HRTA's Maturing Notes

PEFINDO affirmed the idA rating for the IDR 600 billion Shelf Registration Bond I Phase I issued by PT Hartadinata Abadi Tbk (IDX: HRTA). "The rating period is valid from November 20, 2024 - December 19, 2024," said a PEFINDO statement in a release on Friday (22/11). The bonds will mature on December 19, 2024. The company plans to pay off the bonds using a combination of cash and precious metals of around IDR 600 billion, unused bank credit facilities of IDR 2.4 trillion, and the issuance of new bonds. HRTA was established in 2004 and is engaged in the production and sale of gold jewelry and gold bars. The Company's products include necklaces, rings, bracelets, earrings, pendants, and other custom-made gold products with a gold content of 30.0% to 99.99%. In addition, the Company also operates a pawn business and is actively expanding into the export market for gold jewelry. (Pasardana)

Recommendation

The 10-year US TREASURY YIELD finally started its first dive below the MA20 Support (yield 4.365% is the nearest Resistance now), something that never happened in its uptrend since early Oct. Thus initiating its descent to the next Target Support yield: around 4.155% - 4.115%. POTENTIAL: Bond price strengthening could start to accelerate.

ID10YT is trying to find ground at the first Support: MA10 / yield 6.892% (with Target 6.942% - 7.0%) although it seems bound to drop further to the second Support: MA20 / 6.834%; or even back down the lower channel around 6.80%. POTENTIAL: be prepared for a faster pace of bond price strengthening once the yield breaks the first Support.

PRICE OF BENCHMARK SERIES

FR0090 : 96.568 (-0.09%)
FR0091 : 97.092 (-0.05%)
FR0092 : 100.439 (-0.04%)
FR0094 : 96.798 (+0.00%)

FR0086 : 98.517 (-0.01%)
FR0087 : 98.186 (+0.02%)
FR0083 : 104.032 (-0.19%)
FR0088 : 94.887 (-0.03%)

CDS of Indonesia Bonds

CDS 2yr: -0.84% to 34.150
CDS 5yr: -0.85% to 73.427
CDS 10yr: -0.71% to 124.875

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.91%	-0.01%
USDIDR	15,870	-0.03%
KRWIDR	11.34	0.38%

Global Indices

Index	Last	Chg.	%
Dow Jones	44,736.57	440.06	0.99%
S&P 500	5,987.37	18.03	0.30%
FTSE 100	8,291.68	29.60	0.36%
DAX	19,405.20	82.61	0.43%
Nikkei	38,780.14	496.29	1.30%
Hang Seng	19,150.99	(78.98)	-0.41%
Shanghai	3,263.76	(3.43)	-0.11%
Kospi	2,534.34	33.10	1.32%
EIDO	20.34	0.36	1.80%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,625.0	(91.2)	-3.36%
Crude Oil (\$/bbl)	68.94	(2.30)	-3.23%
Coal (\$/ton)	141.00	(0.25)	-0.18%
Nickel LME (\$/MT)	16,203	233.0	1.46%
Tin LME (\$/MT)	28,976	62.0	0.21%
CPO (MYR/Ton)	4,699	57.0	1.23%

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)	-2.15	-3.02
Trd Balance (USD bn)	2.48	3.26	Govt. Spending Yoy	4.62%	1.42%
Exports Yoy	10.25%	6.44%	FDI (USD bn)	4.89	6.03
Imports Yoy	17.49%	8.55%	Business Confidence	104.82	104.30
Inflation Yoy	1.71%	1.84%	Cons. Confidence*	121.10	123.50

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday							
25 – November							
Tuesday	US	22.00	New Home Sales	-	Oct	725k	738k
26 – November	US	22.00	Conf. Board Consumer Confidence	-	Nov	111.8	108.7
Wednesday	US	19.00	MBA Mortgage Applications	-	Nov 22	-	1.7%
27 – November	US	20.30	GDP Annualized QoQ	-	3Q S	2.8%	2.8%
	US	20.30	Durable Goods Order	-	Oct P	0.5%	-0.7%
	US	20.30	Initial Jobless Claim	-	Nov 23	217k	213k
	US	21.45	MNI Chicago PMI	-	Nov	45.0	41.6
Thursday							
28 – November							
Friday	JP	06.30	Jobless Rate	-	Oct	2.5%	2.4%
29 – November	JP	06.30	Tokyo CPI YoY Ex– Fresh Food YoY	-	Nov	2.1%	1.8%
	JP	06.30	Job To Applicant Ratio	-	Oct	1.24	1.24

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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