

# Morning Briefing

Daily | December 19, 2024

Today's Outlook:

**MARKET SENTIMENT:** US November Core PCE Price Index

**ASIA MARKETS:** Asia-Pacific stocks and currencies fell Thursday, amid a broader market sell-off after the U.S. Federal Reserve delivered its third consecutive rate reduction and signaled fewer rate cuts ahead. Investors assessed the Bank of Japan's decision to keep its policy rate unchanged at 0.25% for the third straight meeting. In response to the central bank's move, the Nikkei 225 lost 0.69% to end at 38,813.58, while Topix was down 0.22%, finishing at 2,713.83. In South Korea, the Kospi index dropped 1.95% to close at 2,435.93 and the Kosdaq index declined 1.89% to 684.36. The South Korean won hovered near its weakest level since March 2009, and was last trading at 1,452.33 on the U.S. dollar. Hong Kong's Hang Seng index declined 0.36% in the final hour of trade, while the mainland China's CSI 300 index edged up slightly to close at 3,945.46. The Hong Kong Monetary Authority on Thursday delivered a 25-basis-point interest rate cut in lock-steps with the Fed. The country's currency is tightly pegged to the U.S. dollar.

**CURRENCY & FIXED INCOME:** The dollar hovered near its two-year high on Thursday after the Federal Reserve cut interest rates and signaled a much slower monetary policy easing trajectory in 2025, while the yen weakened against the greenback after the Bank of Japan held rates steady. The dollar edged higher from losses early in the session after a stronger-than-expected reading on U.S. third quarter GDP showed the economy grew at a 3.3% annual rate. The number validated the Federal Reserve's cautious new take-it-slow approach to easing, as did a bigger-than-expected fall in the number of applications for unemployment insurance to 220,000 last week. Yields on 10-year Treasuries jumped past 4.5% to the highest level since May and the yield curve steepened to its widest gap in more than two years in the face of the U.S. central bank's more measured approach to interest-rate cuts in the coming year. The yield on benchmark U.S. 10-year notes rose 7.2 basis points to 4.57%, from 4.498% late on Wednesday.

- **The Japanese yen** dipped 0.74% to 155.94 against the greenback, hitting a one-month low, as BOJ Governor Kazuo Ueda said the central bank will continue raising policy rates if the economy moves in line with its forecast.

- **European** stocks fell on Thursday, with the benchmark STOXX recording its biggest single-day drop since early November as investors fled riskier assets after the U.S. Federal Reserve signalled a slower pace of interest rate cuts next year. The pan-European STOXX 600 index closed 1.5% lower, hitting a three-week low, with all the major sub-sectors in the red.

- **The euro**, which tumbled 1.34% on Wednesday, managed to claw back some losses and was last 0.16% higher at \$1.036650 on Thursday. The Bank of England held interest rates at 4.75% as expected on Thursday. Sterling dipped, weakening 0.58% to \$1.25.

**COMMODITIES:** Oil prices fell on Thursday after central bankers in the U.S. and Europe signaled caution over further easing of monetary policy, fanning concerns that weak economic activity could dent demand for oil next year. Brent crude futures fell by 51 cents, or 0.7%, to settle at \$72.88 a barrel. U.S. West Texas Intermediate crude futures for January delivery fell 67 cents, or 1%, to \$69.91 per barrel and expired on settlement. The more active WTI February contract fell 64 cents to settle at \$69.38 per barrel.

- **Spot gold** rose 0.35% to \$2,596.60 an ounce. U.S. gold futures fell 1.69% to \$2,592.00 an ounce. Gold advanced but pared earlier gains after U.S. economic data reinforced expectations that the Fed will take a cautious approach to monetary policy in the coming year.

Domestic News

Entrepreneurs Suggest Prabowo Reduce Debt and Give Tax Amnesty Again

The Indonesian Employers Association (Apindo) has asked President Prabowo Subianto's administration to keep the State Budget deficit within a low limit. Thus, the issuance of debt securities can be reduced. "On the fiscal policy side, Apindo considers that the government needs to continue the fiscal consolidation policy by maintaining a deficit of 3% of GDP," said Apindo Chairwoman Shinta Kamdani in a press conference at the Apindo office, Thursday (19/12/2024). In the 2025 State Budget, the deficit has been set at a level of 2.53% of Gross Domestic Product (GDP) or nominally IDR 616.2 trillion. The deficit arises because the state revenue target is IDR 3,005.1 trillion, while state spending is designed at IDR 3,621.3 trillion. On the other hand, the government also needs to explore sources of tax revenue to increase Indonesia's tax ratio by working on the underground economy, and strengthening the core tax system policy. The business community also proposes to re-conduct tax amnesty, implement Non-Filling Systems (NFS) and institutional reform. (CNBC Indonesia)

Corporate News

MFIN: Mandala Finance to Issue Bonds and Sukuk in 2025

Finance company PT Mandala Multifinance Tbk (MFIN) or Mandala Finance plans to issue bonds and sukuk in 2025 to support the company's strategic initiatives. This step is in line with the growing funding needs in order to expand business coverage and increase access to financing for the people of Indonesia. Mandala Finance Managing Director Christel Lesmana said that the bond and sukuk issuance will be an important part of the company's funding strategy next year. The funds raised will be utilized for various needs, including financing distribution, supporting operational activities, and working capital needs. "The issuance of bonds and sukuk will be carried out in accordance with the company's funding target plan in 2025 which is adjusted to the needs of the financing distribution target to support various initiatives and business operational activities, as well as working capital needs in reaching and distributing appropriate credit to more Indonesians," Christel told Bisnis, Thursday (19/12/2024). Christel added that in this planning process, Mandala Finance will carefully review various factors, such as funding needs, economic conditions, markets, and demand trends. This is done to ensure that the company's strategic steps remain relevant and support sustainable growth. (Bisnis)

Recommendation

**US10YT** continued its current uptrend and broke out of its resistance of 4.520-4.522%. NHKSI is of the opinion price action will continue to its next resistance at 4.643% before reaching the following resistance at 4.739%

**ID10YT** continued its uptrend after forming a flag pattern after rebounding from the uptrend channel pattern support at 6.916%. There is still room for the yield to extend its rally to the uptrend channel resistance area of 7.203-7.213%

PRICE OF BENCHMARK SERIES

FR0090 : 96.199 (-0.06%)

FR0091 : 96.109 (-0.11%)

FR0092 : 99.807 (-0.35%)

FR0094 : 96.798 (+0.00%)

FR0086 : 98.190 (-0.03%)

FR0087 : 97.068 (-0.12%)

FR0083 : 103.493 (-0.28%)

FR0088 : 93.503(-0.12%)

CDS of Indonesia Bonds

CDS 2yr: +2.99% to 36.665

CDS 5yr: +2.40% to 77.273

CDS 10yr: +1.49% to 124.335

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.09%	0.03%
USDIDR	16.290	1.24%
KRWIDR	11.28	0.77%

Global Indices

Index	Last	Chg.	%
Dow Jones	42,342.24	15.37	0.04%
S&P 500	5,867.08	(5.08)	-0.09%
FTSE 100	8,105.32	(93.79)	-1.14%
DAX	19,969.86	(272.71)	-1.35%
Nikkei	38,813.58	(268.13)	-0.69%
Hang Seng	19,752.51	(112.04)	-0.56%
Shanghai	3,370.03	(12.18)	-0.36%
Kospi	2,435.93	(48.50)	-1.95%
EIDO	18.16	(0.32)	-1.73%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,594.0	8.7	0.34%
Crude Oil (\$/bbl)	69.38	(0.64)	-0.91%
Coal (\$/ton)	127.10	(1.15)	-0.90%
Nickel LME (\$/MT)	15,113	(395.0)	-2.55%
Tin LME (\$/MT)	28,399	(717.0)	-2.46%
CPO (MYR/Ton)	4,508	(21.0)	-0.46%

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)	150.24	151.20	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)	7.45	4.89
Imports Yoy	17.49%	8.55%	Business Confidence	104.82	104.30
Inflation Yoy	1.55%	1.71%	Cons. Confidence*	125.90	121.10

Source: Bloomberg, NHKSI Research

ESZarhro published on TradingView.com Dec 20, 2024 07:21 UTC+7

US Government Bonds 10 YR Yield, 10, TVC 04.654% A4.654% L4.552% C4.552% -0.014 (-0.31%)  
 ytd The data vendor doesn't provide volume data for this symbol

MA Ribbon (SMA, 10, SMA, 20, SMA, 50, SMA, 100) 4.367% 4.312% 4.268% 4.066%

RSI (14 close) 69.55 54.80

17 Jul 15 Aug 19 Sep 16 Oct 15 Nov 18 Dec 16

TradingView

Indonesia Government Bonds 10 YR Yield, 1D, TVC, 02/09/24, H1:100%, L7:065%, C7:1010% +0.045 (+0.64%)  
 Vol: The data vendor doesn't provide volume data for this symbol.  
 MA Ribbon (SMA, 10, SMA, 20, SMA, 50, SMA, 100) 7.065% 6.955% 6.848% 6.742%

RSI (14, close) 70.38 67.16 64.94 62.71 60.48 58.25 56.02 53.79 51.56 49.33 47.10 44.87 42.64 40.41 38.18 35.95 33.72 31.49 29.26 27.03 24.80 22.57 20.34 18.11 15.88 13.65 11.42 9.19 6.96 4.73 2.50 0.27

TradingView

## 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 51<sup>st</sup> 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

Telp : +62 411 360 4650

### 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