

Morning Briefing

Daily | January 07, 2025

Today's Outlook:

US MARKET: Market sentiment on Monday was also boosted by a Washington Post report saying President-elect Donald Trump's tariff plan would be narrower than anticipated, covering only critical imports. Trump called for "universal" tariffs as high as 10%-20% during his campaign.

MARKET SENTIMENT: December European CPI (YoY), December US ISM Non-Manufacturing PMI, December US ISM Non-Manufacturing Prices, November US JOLTS Jobs Openings

ASIA MARKETS: Asia-Pacific markets mostly fell on Monday as investors assessed business activity figures from several key economies in the region. China's Caixin services purchasing managers' index from S&P Global rose to 52.2 in December — the service sector's fastest expansion since May 2024. China's central bank said over the weekend it would implement a "moderately loose" monetary policy in 2025 as it seeks to boost growth. Separately, Hong Kong's PMI declined in December compared to the month before. India's service PMI expanded at its fastest pace in four months, with final figures for December coming in at 59.3 compared to 58.4 in November. PMI, however, missed the 60.5 reading expected by analysts polled by Reuters.

FIXED INCOME & CURRENCIES: The 10-year U.S. Treasury yield moved higher on Monday ahead of a series of key jobs data set to be published throughout the week. The 10-year Treasury yield rose 3 basis points to 4.63%, while the 2-year Treasury dipped nearly 2 basis points to 4.26%. One basis point is equal to 0.01% and yields and prices move in opposite directions. The Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.6% lower to 108.120, retreating after reaching a more than two-year high last week. The US dollar retreated Monday, handing back some recent gains but remained close to a two-year high ahead of the release of key employment data later in the week and as President Donald Trump's inauguration draws nearer.

The Euro rose 0.7% to 1.0381, helped by a modest recovery in the eurozone's services industry in December. HCOB's final composite Purchasing Managers' Index for the bloc, compiled by S&P Global, rose to 49.6 in December from November's 48.3. The headline index was boosted by the bloc's dominant services sector, whose PMI bounced back above breakeven to 51.6 from November's 49.5, but was weighed down by a sharper decline in factory activity. The euro fell to its weakest level in more than two years versus the dollar last week, with traders expecting substantially more interest rate cuts from the European Central Bank in 2025, with markets pricing in at least 100 basis points of easing.

COMMODITIES: Oil prices edged up to a 12-week high on Monday as a winter storm boosted demand for energy to heat U.S. homes and businesses, and on support from a weaker U.S. dollar and expectations of tighter sanctions on Iranian and Russian oil exports. Brent futures rose 27 cents, or 0.4%, to \$76.78 a barrel by 11:33 a.m. EST (1633 GMT), while U.S. West Texas Intermediate crude rose 27 cents, or 0.4%, to \$74.23. Both crude benchmarks gained for a sixth-straight day with Brent on track for its highest close since Oct. 14 and WTI on track for its highest close since Oct. 11. Brent and WTI remained in technically overbought territory for a third day in a row on forecasts for colder weather and more heating demand in the northern hemisphere and more fiscal stimulus to revitalise China's faltering economy. With interest in energy trade growing in recent weeks, open interest in WTI futures on the New York Mercantile Exchange soared to 1.933 million contracts on Jan. 3, the most since June 2023.

Domestic News

Government Holds Initial SUN Auction 2025, Target IDR 42 Trillion on Tuesday (7/1)

The government will hold an auction of rupiah-denominated Government Securities (SUN) on Tuesday (7/1). The government set an indicative target of IDR 28 trillion-IDR 42 trillion at this year's initial SUN auction, based on information from the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, there are eight (8) SUN series that will be auctioned starting at 09.00 WIB until 11.00 WIB. The auction aims to fulfill part of the financing target in the 2025 State Budget. The following are details of the eight SUN series that will be offered at the auction on Tuesday (7/1): SPN03250409 (New Issuance) will mature on April 9, 2025 with a discount coupon rate, SPN12260108 (New Issuance) will mature on January 8, 2026 with a discount rate, FR0104 will mature on July 15, 2030 with a coupon rate of 6.50%, FR0103 will mature on July 15, 2035 with a coupon rate of 6.75%, FR0106 (New Issuance) will mature on August 15, 2040. FR0106 has a fixed rate and will be set on January 7, 2025, FR0107 (New Issuance) will mature on August 15, 2045. FR0107 has a fixed interest rate and will be set on January 7, 2025. Coupon payments for the new series FR0106 and FR0107 are semi-annually, FR0102 will mature on July 15, 2054 with a coupon rate of 6.87% and FR0105 will mature on July 15, 2064 with a coupon rate of 6.87%. The SUN sales will be carried out using an auction system organized by Bank Indonesia (BI). (Issuer News)

Corporate News

INPP: INPP Bond Rating idAAA, This is Pefindo's Consideration

The Indonesian Securities Rating Agency (Pefindo) assigned an idA- rating with a stable outlook to Indonesian Paradise Property (INPP). At the same time, Pefindo assigned an idAAA (cg) rating to the planned issuance of INPP Bonds 1 Year 2025 worth IDR 500 billion. The proceeds from the bond issuance will be used for refinancing, capital expenditure (capex), and working capital. Bond principal and interest payments will be fully guaranteed by the Credit Guarantee and Investment Facility (CGIF). The rating reflects Indonesian Paradise's stable recurring income. Good market position with positive asset quality, and strong hotel chain brand. The rating is limited by the company's moderate financial profile, risks associated with future projects, and exposure to travel disruptions due to certain events. The rating could be upgraded if the company manages to consistently achieve revenue targets from recurring business segments, existing property developments, and future projects while improving financial leverage on an ongoing basis. However, the rating could be downgraded if the company is unable to realize its corporate action plan, resulting in Indonesian Paradise raising debt to fund business expansion. The rating may also be downgraded if revenue or EBITDA is significantly below projections. (Emiten News)

Recommendation

In the second week of 2025, US10YT formed a doji candle in last year's highs in the yield range of 4.533% - 4.643%. Now it may be prone for a consolidation as warned by the leading indicator RSI negative divergence. Advise: use MA10 as trailing stop; if the yield finally closes below 4.568% (up to 4.507%) then anticipate strengthening bond prices towards the following Support: 4.421% / 4.36% / 4.33%.

ID10YT is actually still undergoing an upward trend in the PARALLEL CHANNEL (pink) pattern where the current position has continued its rebounded on the psychological Support level around 7.0% up to 6.96%. Thus, the bond price is anticipated to continue its medium-term weakening trend again.

PRICE OF BENCHMARK SERIES

FRO090	: 96.246 (+0.04%)
FRO091	: 96.343 (-0.08%)
FRO092	: 100.015 (-0.01%)
FRO094	: 96.593 (+0.00%)
FRO086	: 98.233 (+0.00%)
FRO087	: 97.484 (-0.07%)
FRO083	: 103.556 (-0.08%)
FRO088	: 94.114 (+0.00%)

CDS of Indonesia Bonds

CDS 2yr	: -0.37% to 37.530
CDS 5yr	: -0.02% to 78.103
CDS 10yr	: -0.38% to 128.245

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.06%	0.04%
USDIDR	16.195	0.03%
KRWIDR	11.09	0.72%

Global Indices

Index	Last	Chg.	%
Dow Jones	42.706.56	(25.57)	-0.06%
S&P 500	5.975.38	32.91	0.55%
FTSE 100	8.249.66	25.68	0.31%
DAX	20.216.19	310.11	1.56%
Nikkei	39.307.05	(587.49)	-1.47%
Hang Seng	19.688.29	(71.98)	-0.36%
Shanghai	3.206.92	(4.51)	-0.14%
Kospi	2.488.64	46.72	1.91%
EIDO	18.66	(0.33)	-1.74%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2.636.5	(3.8)	-0.14%
Crude Oil (\$/bbl)	73.56	(0.40)	-0.54%
Coal (\$/ton)	119.75	(3.75)	-3.04%
Nickel LME (\$/MT)	15.182	71.0	0.47%
Tin LME (\$/MT)	29.289	181.0	0.62%
CPO (MYR/Ton)	4.338	(30.0)	-0.69%

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)	4.42	2.48	Govt. Spending Yoy	4.62%	1.42%
Exports Yoy	9.14%	10.25%	FDI (USD bn)	7.45	4.89
Imports Yoy	0.01%	17.49%	Business Confidence	104.82	104.30
Inflation Yoy	1.57%	1.55%	Cons. Confidence*	125.90	121.10

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	US	22.00	Factory Orders	-	Dec	-0.4%	0.2%
06 – January	US	22.00	Durable Goods Order	-	Nov F	-0.4%	-1.1%
Tuesday	US	20.30	Trade Balance	-	Nov	-\$78.2B	-\$73.8B
07 – January	US	22.00	ISM Services Index	-	Dec	53.5	52.1
Wednesday	US	19.00	MBA Mortgage Applications	-	Jan 3	-	-
08 – January	US	20.30	Initial Jobless Claims	-	Jan 4	216k	211k
	US	20.15	ADP Employment Change	-	Dec	133k	146k
Thursday	US	22.00	Wholesale Inventories MoM	-	Nov F	-0.2%	-0.2%
09 – January							
Friday	US	20.30	Change In Nonfarm Payrolls	-	Dec	160k	227k
10 – January	US	20.30	Unemployment Rate	-	Dec	4.2%	4.2%
	US	22.00	University of Michigan Sentiment	-	Jan P	73.9	74.0

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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

JAKARTA (HEADQUARTER):

District 8 Treasury Tower 51st 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