

# Morning Briefing

Daily | January 08, 2025

## Today's Outlook:

**US MARKET:** Fresh economic data led to a spike in Treasury yields and raised questions about the possibility of Federal Reserve rate cuts later this year. Data released on Tuesday by the Institute for Supply Management reflected faster-than-expected growth in the U.S. services sector in December, adding to concerns about stickier inflation. The 10-year Treasury yield was last up nearly six basis points at 4.675%.

**MARKET SENTIMENT:** December US ADP NonFarm Employment Change, December Initial Jobless Claims, Crude Oil Inventories, US 30-Year Bond Auction, US FOMC Meeting Minutes

**FIXED INCOME & CURRENCIES:** U.S. Treasury yields rose on Tuesday after economic data suggested services inflation is proving hard to tame. The 10-year Treasury yield climbed six basis points to 4.677%. The 2-year Treasury yield gained about one basis point to 4.283%. Yields and prices move in opposite directions. One basis point equals 0.01%. The U.S. dollar gained on Tuesday after economic data showing a generally stable jobs market and a still robust services sector suggested that the Federal Reserve will likely slow the pace of its current rate-cutting cycle. The greenback rose to a near six-month peak after the U.S. data.

The Euro, on the other hand, slipped 0.1% to \$1.0378, extending its fall after the data.

**COMMODITIES:** Oil prices reversed early declines on Tuesday, supported by fears of tighter Russian and Iranian supply in the face of escalating Western sanctions. Brent crude futures advanced 60 cents, or 0.79%, to \$76.90 a barrel by 1422 GMT while U.S. West Texas Intermediate (WTI) crude was up 50 cents, or 0.68%, at \$74.06. It seems market participants have started to price in some small supply disruption risks on Iranian crude exports to China, said UBS analyst Giovanni Staunovo. Concern over sanctions tightening supply has translated into increased demand for Middle Eastern oil, reflected in a rise in Saudi Arabia's February oil prices to Asia, the first such increase in three months. In China, Shandong Port Group on Monday issued a notice banning United States-sanctioned oil vessels from its network of ports, three traders said, potentially restricting blacklisted vessels from major energy terminals on China's east coast. Shandong Port Group oversees large ports on China's east coast, including Qingdao, Rizhao and Yantai, which are major terminals for importing sanctioned oil. Meanwhile, cold weather in the U.S. and Europe has boosted heating oil demand, though oil price gains were capped by global economic data.

## Domestic News

### SUN Auction, Total Offering IDR 31.6T, Government Absorbs IDR 26.2 Trillion

The government absorbed IDR 26.2 trillion in funds from the auction of Government Securities, Tuesday (7/1/2025). Through the Bank Indonesia auction system for a number of SUN series, the total bids received were recorded at IDR 31.6 trillion. A press release from the Directorate of Government Securities, Directorate General of Financing and Risk Management, Ministry of Finance on Tuesday stated that there were a number of SUN series in the auction. Among them, the SPN03250409 series (new issuance), SPN12260108 (new issuance), FR0104 (reopening), FR0103 (reopening), FR0106 (new issuance), FR0107 (new issuance), FR0102 (reopening) and FR0105 (reopening). The press release from the Ministry of Finance also stated that the total bids received were IDR 31.6 trillion. SPN03250409 series bids received were IDR 1,031 trillion, SPN12260108 IDR 1.71 trillion, FR0104 series IDR 9.70 trillion, FR0103 IDR 6.2 trillion. Others, FR0106 IDR 6.45 trillion, FR0107 IDR 5.61 trillion, FR0102 IDR 0.56 trillion and FR0105 IDR 0.37 trillion. Meanwhile, in accordance with the authority granted by Law Number 24 of 2002 concerning Government Securities, the Minister of Finance determined the auction results for the SPN03250409 series, and the FR0105 series had no nominal value won. While the SPN12260108 series won IDR 1.6 trillion. Then, the FR0104 series won IDR 7.1 trillion, FR0103 IDR 5.7 trillion, FR0106 IDR 5.95 trillion, FR0107 IDR 5.5 trillion, FR0102 IDR 0.35 trillion. From there it is known that the total nominal won from the seven SUN series offered at Tuesday's auction was IDR 26.2 trillion. (Emiten News)

## Corporate News

### PNM: PT Permodalan Nasional Madani Will Issue Sustainable Bond VII PNM Worth IDR 6 Trillion

PT Permodalan Nasional Madani (PNM) plans to issue PNM Sustainable Bond VII Year 2025 with a value of IDR 6 trillion and Sustainable Sukuk II of IDR 10 trillion, through a combo mechanism in the period 2025 to 2026. This ongoing public offering provides flexibility for the company to issue bonds and sukuk in stages. The value of bond and sukuk issuance will be adjusted to the company's needs and market conditions, after obtaining an effective statement from the Financial Services Authority (OJK). As a non-bank financial institution, PNM views this step as an important strategy to maintain and improve the company's liquidity. (Bisnis)

## Recommendation

In the second week of 2025, US10YT formed a broke out into last year's highs in the yield range of 4.643% - 4.739%. 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 have a minor correction back to the uptrend channel pattern support.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.247 (+0.01%)  
FR0091 : 96.026 (-0.33%)  
FR0092 : 99.730 (-0.28%)  
FR0094 : 96.593 (+0.00%)

FR0086 : 98.286 (+0.05%)  
FR0087 : 97.163 (-0.33%)  
FR0083 : 103.313 (-0.23%)  
FR0088 : 93.617 (-0.53%)

## CDS of Indonesia Bonds

CDS 2yr: -1.23% to 37.070  
CDS 5yr: -1.41% to 77.006  
CDS 10yr: -1.07% to 126.870

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.14%	0.07%
USDIDR	16.131	-0.40%
KRWIDR	11.11	0.17%

## Global Indices

Index	Last	Chg.	%
Dow Jones	42,528.36	(178.20)	-0.42%
S&P 500	5,909.03	(66.35)	-1.11%
FTSE 100	8,245.28	(4.38)	-0.05%
DAX	20,340.57	124.38	0.62%
Nikkei	40,083.30	776.25	1.97%
Hang Seng	19,447.58	(240.71)	-1.22%
Shanghai	3,229.64	22.72	0.71%
Kospi	2,492.10	3.46	0.14%
EIDO	18.38	(0.28)	-1.50%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,648.6	12.1	0.46%
Crude Oil (\$/bbl)	74.25	0.69	0.94%
Coal (\$/ton)	118.30	(1.45)	-1.21%
Nickel LME (\$/MT)	15,398	216.0	1.42%
Tin LME (\$/MT)	29,944	655.0	2.24%
CPO (MYR/Ton)	4,365	27.0	0.62%

## 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
<b>Monday</b>	US	22.00	Factory Orders	-	Dec	-0.4%	0.2%
06 – January	US	22.00	Durable Goods Order	-	Nov F	-0.4%	-1.1%
<b>Tuesday</b>	US	20.30	Trade Balance	-	Nov	-\$78.2B	-\$73.8B
07 – January	US	22.00	ISM Services Index	-	Dec	53.5	52.1
<b>Wednesday</b>	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
<b>Thursday</b>	US	22.00	Wholesale Inventories MoM	-	Nov F	-0.2%	-0.2%
09 – January							
<b>Friday</b>	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



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