

# Morning Briefing

Daily | January 23, 2025

## Today's Outlook:

**US MARKET:** Trump announced late Tuesday that OpenAI, Japan's SoftBank and Oracle would form a joint venture called Stargate and invest up to \$500 billion to build AI data centers.

**ASIA MARKET:** Trump said his administration was considering 10% tariffs on Chinese imports because fentanyl is shipped from China to the U.S. via Mexico and Canada. As a result, Chinese blue-chip stocks fell 0.9% and Hong Kong's Hang Seng index slid 1.6%.

- **SOUTH KOREA'S** fourth-quarter and full-year GDP (following yesterday's improved Consumer Confidence figures), as well as **JAPAN'S** Trade Balance and Export-Import figures will also color Asian markets today. Thursday is also the last full trading day before the Bank of Japan's widely expected policy decision to raise its short-term interest rate by a quarter percentage point to 0.5% on Friday, a level last seen during the Global Financial Crisis. The yen is trending higher; USD/JPY is trading near the bottom of the 155.00-159.00 range, its previous low last month, while the 2-year Japanese government bond yield is firming.

**CURRENCY & FIXED INCOME:** The delay in Trump's tariffs on a number of major world economies pushed the dollar to a 2-week low against a basket of other major currencies. The DOLLAR INDEX (DXY) moved slightly to 108.24, after earlier falling to its lowest level since January 6 at 107.75. The dollar was dumped in response to the lack of clear details about the implementation of the tariffs. The euro was at \$1.040950, after earlier rising to \$1.0457, its highest level since December 30. The dollar fell another 0.7% to 156.52 yen after falling to a 1-month low in the previous session. - The 10-year US TREASURY yield rose 3.9 basis points to 4.5820%. In EUROPE, there was strong demand for FRENCH, SPAIN, UK debt sales over the past 24 hours. Remarkably, bids for the \$37 billion worth of bonds on offer totaled around \$400 billion. While this is likely seasonal as fixed income investors use up their allocations for the year in January, the level of interest and the amount raised was remarkable.

**COMMODITIES:** OIL prices were slightly lower, after falling more than 2% on Tuesday as Trump plans to pump up US energy production. Brent crude was down 0.48% at \$78.91 a barrel, while US WTI crude slipped 0.59% to \$75.38.

- Elsewhere, **GOLD** was steady at \$2,755.2351 an ounce, having earlier hit its highest since October, boosted by uncertainty over Trump's policy plans.

**INDONESIA:** has begun to be hit by the company's Q4 profit report, starting with BBNi which reported a contracted NIM although it was still able to post a thin Net Profit growth of 2.7% yoy, supported by credit distribution growth for FY24 of 11.6% yoy mostly from the corporate segment. BBNi cannot be so optimistic that the credit growth that was disbursed and the NIM in 2025 will be able to exceed last year's performance. NHKSI RESEARCH estimates that the future of banking this year will still be colored by liquidity challenges and the threat of increasing provisions for writing off bad debts of companies such as the Sritex case, or bad debts of fishermen and farmers echoed by President Prabowo.

## Domestic News

### Bahlil Ensures HGBT Continues, Price No Longer USD 6 Per MMBtu

The Ministry of Energy and Mineral Resources ensures the continuation of the HGBT program, but with a note that the price increase will follow fluctuations in world natural gas prices. Minister of Energy and Mineral Resources (ESDM) Bahlil Lahadalia ensured that the Specific Natural Gas Price or HGBT program will continue for industry in 2025. Bahlil said that his ministry is still simulating HGBT which will be implemented starting this year. As is known, the policy that has been in effect since 2020 for seven industrial sectors has ended on December 31, 2024. "We are still simulating HGBT, but in principle it has been extended. However, the HGBT price has been adjusted, he explained to reporters after the plenary meeting of the Red and White Cabinet at the Presidential Palace Complex, Jakarta, Wednesday (1/22/2025). Bahlil then ensured that the HGBT which will be continued this year will no longer be pegged at USD 6 per MMBtu. The current rising price of natural gas is said to be the reason for the adjustment HGBT. Not only that, Bahlil continued, for HGBT with raw materials from gas, the price is lower compared to gas used for energy. In the government's plan, the possibility of gas used for large energy is approximately USD 7 per MMBtu. Unfortunately, Bahlil did not reveal how much HGBT the government would later set. He did not deny that the price could be around USD 6.5 per MMBtu. (Bisnis)

## Corporate News

### TBIG: Refinancing, Tower Bersama Offers IDR2.79 Trillion Bonds

Tower Bersama (TBIG) will issue IDR2.79 trillion bonds. The bonds are part of sustainable bonds VI with a maximum projection of IDR20 trillion. And, the company has issued IDR7.71 trillion. Well, this time the company is offering IDR2.79 trillion bonds in two series. Series A of IDR2.04 trillion with a fixed interest rate of 6.80 percent per year for a term of 370 days. Then, series B of IDR745.15 billion with a fixed interest rate of 7.00 percent per year for a term of three years. Bond interest is paid quarterly. Where, the first bond interest will be paid on May 12, 2025. While the last bond interest and settlement will be paid on February 22, 2026 for series A, and February 12, 2028 for series B. Repayment of all bonds is carried out in full when they mature. All proceeds from the bonds after deducting issuance costs, amounting to IDR 2.7 trillion, will be used to fund all obligations in the plan to repay the entire principal of the Sustainable Bond VI Tower Bersama Infrastructure Phase III Year 2024 which will mature on February 16, 2025. (Emiten News)

## Recommendation

**US10Y** rebounds after reaching its 4.531% support, as post-Trump inauguration euphoria begins to wane leading to higher yields in the short-term. NHKSI Research is of the opinion US10Y has a high potential to return to the nearest 4.77% resistance.

**ID10Y** has continued its correction to the current 7.098% from the peak at 7.330%. NHKSI Research forecasts ID10Y has the potential to reach its 7.077-7.081% trendline support. Diminishing post-Trump euphoria may have aided in the lowering yield for Indonesia's benchmark 10-Year bonds.

## PRICE OF BENCHMARK SERIES

FR0090 : 96.637 (+0.01%)

FR0091 : 96.316 (+0.15%)

FR0092 : 98.846 (+0.16%)

FR0094 : 96.603 (+0.00%)

FR0086 : 98.515 (+0.03%)

FR0087 : 97.673 (+0.14%)

FR0083 : 102.357 (+0.11%)

FR0088 : 93.566 (+0.24%)

## CDS of Indonesia Bonds

CDS 2yr: +0.14% to 35.590

CDS 5yr: -0.36% to 74.345

CDS 10yr: +0.03% to 122.750

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.13%	-0.04%
USDIDR	16.335	-0.15%
KRWIDR	11.38	0.11%

## Global Indices

Index	Last	Chg.	%
Dow Jones	44,156.73	130.92	0.30%
S&P 500	6,086.37	37.13	0.61%
FTSE 100	8,545.13	(3.16)	-0.04%
DAX	21,254.27	212.27	1.01%
Nikkei	39,646.25	618.27	1.58%
Hang Seng	19,778.77	(327.78)	-1.63%
Shanghai	3,213.62	(29.00)	-0.89%
Kospi	2,547.06	29.03	1.15%
EIDO	18.81	0.12	0.64%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,756.5	11.7	0.43%
Crude Oil (\$/bbl)	75.44	(0.39)	-0.51%
Coal (\$/ton)	116.75	(1.00)	-0.85%
Nickel LME (\$/MT)	15,718	(360.0)	-2.24%
Tin LME (\$/MT)	30,272	39.0	0.13%
CPO (MYR/Ton)	4,208	(52.0)	-1.22%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	6.00%	Real GDP	4.95%	5.05%
FX Reserve (USD bn)	155.72	150.20	Current Acc (USD bn)	(2.15)	-3.02
Trd Balance (USD bn)	2.24	4.42	Govt. Spending Yoy	4.62%	1.42%
Exports Yoy	4.78%	9.14%	FDI (USD bn)	7.45	4.89
Imports Yoy	11.07%	0.01%	Business Confidence	104.82	104.30
Inflation Yoy	1.57%	1.55%	Cons. Confidence*	127.70	125.90

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>							
20 – January							
<b>Tuesday</b>							
21 – January							
<b>Wednesday</b>	ID	14.20	BI-Rate	-	Jan 15	6.00%	6.00%
22 – January	US	19.00	MBA Mortgage Applications	-	Jan 17	-	33.3%
	US	20.30	Leading Index	-	Dec	-0.1%	0.3%
<b>Thursday</b>	US	20.30	Initial Jobless Claims	-	Jan 18	220k	217k
23 – January							
<b>Friday</b>	US	20.30	S&P Global US Manufacturing PMI	-	Dec	49.9	49.4
24 – January	US	21.15	University of Michigan Sentiment	-	Dec	73.2	73.2
	US	21.15	Existing Home Sales	-	Dec	4.20m	4.15m

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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