

# Morning Briefing

Daily | February 10, 2025

## Today's Outlook:

**MARKET SENTIMENT:** The highly anticipated employment report showed the US added 143,000 jobs in January, 53.4% fewer than the upwardly revised 307,000 in December. The report, which was distorted by annual benchmark revisions, along with California wildfires and unusually cold weather, also showed hotter-than-expected hourly wage growth, as well as a surprise drop in the unemployment rate, to 4.0% from 4.1%. Unfortunately, a separate report from the respected University of Michigan showed consumer sentiment had deteriorated unexpectedly this month as inflation expectations surged.

- The major indices extended losses after US President Donald Trump said he would announce a new round of reciprocal tariffs on many countries next week. He plans to announce additional tariffs of 25% on all steel and aluminum imports into the US on Monday, and will also announce reciprocal duties on what he sees as unfair trade practices, on Tuesday or Wednesday; both duties will be effective immediately. Trump's tariff threat comes days after a 10% import duty on China went into effect, to which Beijing has retaliated with a series of measures and duties. Trump has also threatened 25% duties on Canada and Mexico in favor of stricter border controls, though has postponed the duties on assurances from both countries. Note that Canada, Brazil, Mexico, South Korea and Vietnam are the largest steel exporters to the US. Canada is also by far the largest exporter of aluminum to the US. Trump in his first term imposed a 25% import duty on steel and a 10% import duty on aluminum, but later granted duty-free quotas to allies such as Canada, Mexico and Brazil. As for reciprocal tariffs, the US President has consistently criticized the unequal import duties imposed by other countries on US goods. He has long criticized the EU's 10% tariff on US auto imports, which is much higher than the 2.5% import duty imposed by the US.

**EUROPEAN & ASIAN MARKETS:** Market sentiment in Europe was also to some extent influenced by economic indicators that Industrial Production in GERMANY in Dec plunged severely below expectations.

- JAPAN reported a very significant increase in household spending in Dec, which seems to be in line with the wage increases that have taken place there.

**FIXED INCOME & CURRENCY:** US TREASURY YIELD rose on an upward revision to the Dec US Nonfarm Payroll additions; as well as a surprise drop in the unemployment rate, despite the disappointing headline payroll number. The 10-year US benchmark bond yield rose 4.7 basis points to 4.485%, from 4.438% on Thursday afternoon. The 30-year US Treasury yield rose 3.9 basis points to 4.6856% from 4.647% on Thursday afternoon. The yield on the 2-year note, which typically moves in line with Federal Reserve interest rate expectations, rose 7.7 basis points to 4.285%, from 4.208% on Thursday afternoon.

- The US DOLLAR rallied in volatile trading after the US payrolls report, which seemed to support the US Federal Reserve's rationale for delaying interest rate cuts for the time being. The DOLLAR INDEX (DXY), which measures the greenback's strength against a basket of currencies including the Yen and Euro, rose 0.36% to 108.05, with the EURO down 0.51% at \$1.0328. The Japanese YEN strengthened 0.12% against the US dollar to 151.27/USD. The POUNDSTERLING weakened 0.24% to \$1.2404. The Mexican peso weakened 0.28% against the USD to 20.529. The Canadian dollar strengthened 0.23% against the USD to C\$1.43 per US dollar.

- In cryptocurrencies, BITCOIN fell 0.86% to \$95,986.52. Ethereum fell 3.73% to \$2,607.61.

**COMMODITIES:** OIL prices rose after new sanctions were imposed on Iranian crude exports, but remained on track for a third consecutive weekly decline on tariff concerns. US WTI crude rose 0.55% to \$71.00 per barrel, while BRENT closed at \$74.66 per barrel, up 0.50% on the day.

- GOLD extended its gains as resurfacing trade concerns added to the safe haven metal's luster. Spot gold prices rose 0.13% to \$2,860.18 per ounce. US gold futures rose 0.26% to \$2,863.50 per ounce.

**INDONESIA:** reported Jan Foreign Exchange Reserves at USD 156.10 billion, slightly higher than the previous month's USD 155.7 billion. Today market participants will monitor the Motor Sales figure (Jatn) which has been trending consistently lower since 1.5 years.

## Global News

### Trump to Impose 25% Import Tariffs on Steel and Aluminum

US President Donald Trump said he will announce a 25% tariff on all steel and aluminum imports on Monday (10/2/2025) local time. According to Bloomberg, he revealed the plan while speaking to reporters on Air Force One. Trump said the tariffs would apply to metal imports from all countries. However, he did not specify when the duties would take effect. Trump also said he would announce reciprocal tariffs later this week against countries that tax US imports. The tariffs will not take effect on the same day as his announcement, which could be Tuesday or Wednesday, but soon after, Trump said. The move is Trump's latest in a series of tariff threats against specific countries and sectors. The overall scale of Trump's tariff ambitions remains unclear. He has also said he will impose tariffs on other goods, including pharmaceuticals, oil and semiconductors and said he is considering duties on the European Union. Last week, Trump imposed a 10% tariff on Chinese goods. Beijing also announced retaliatory measures scheduled to take effect later this month with a more calibrated scope, targeting only US\$14 billion worth of imported goods from the US by 2024. This marks a more cautious approach from China than during Trump's first term, when the world's two largest economies exchanged trade levies for years. (Bisnis)

## Corporate News

### PALM: PALM's IDR612.2 Billion Bond Issuance Schedule

Provident Investasi Bersama (PALM) will issue bonds of IDR612.2 billion. The bonds are part of the issuance of sustainable bonds II with a target of IDR 5 trillion. And, the company has sold Rp1.93 trillion in bonds. Now, this time the sustainable bonds II phase IV in 2025 are divided into two series. Namely, series A amounting to IDR 353.53 billion with a fixed interest rate of 8.25 percent per year with a term of 367 days. And, series B worth IDR 258.67 billion with a fixed interest rate of 9.75 percent per year with a 3-year term. All proceeds from the bonds, after deducting issuance costs, will be used to make accelerated payments on the company's principal debt to United Overseas Bank Limited (UOB Bank) based on the USD75 million revolving credit facility agreement on August 31, 2023. The bonds have an idA rating from Pefindo. Provident Investasi's bond schedule is as follows. Public offering period on February 7 & 10, 2025. Allotment on February 11, 2025. Electronic distribution, and refund of orders on February 13, 2025. And, listing on the Indonesia Stock Exchange on February 14, 2025. (Emiten News)

## Recommendation

**US10YT** started to break its uptrend structure, with the yield breaking below the first trendline support as well as getting longer below MA10 & MA20; making the yield range 4.50% - 4.56% as the closest resistance range.

**ADVISE:** Anticipated consolidation in yield could still continue with another test of Support: 4.40%; before heading to the next ground at 4.34%.

**ID10YT** has reached 50% Fibonacci retracement around 6.87% yield, coupled with RSI positive divergence; thus signaling limited downside potential possibly towards 6.80% Support. Conversely, if a technical rebound occurs, then MA10 will be the nearest Resistance at 7.0% yield.

## 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

## PRICE OF BENCHMARK SERIES

FR0090 : 96.918 (+0.20%)  
FR0091 : 97.396 (+0.58%)  
FR0092 : 100.449 (+0.59%)  
FR0094 : 96.630 (+0.00%)

FR0086 : 98.752 (+0.09%)  
FR0087 : 98.537 (+0.44%)  
FR0083 : 103.649 (+0.65%)  
FR0088 : 94.405 (+0.57%)

## CDS of Indonesia Bonds

CDS 2yr: +0.95% to 37.070

CDS 5yr: +1.38% to 77.275

CDS 10yr: +0.80% to 125.585

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.87%	-0.03%
USDIDR	16.275	-0.34%
KRWIDR	11.19	-0.84%

## Global Indices

Index	Last	Chg.	%
Dow Jones	44.303.40	(444.23)	-0.99%
S&P 500	6.025.99	(57.58)	-0.95%
FTSE 100	8.700.53	(26.75)	-0.31%
DAX	21.787.00	(115.42)	-0.53%
Nikkei	38.787.02	(279.51)	-0.72%
Hang Seng	21.133.54	241.92	1.16%
Shanghai	3.303.67	33.01	1.01%
Kospi	2.521.92	(14.83)	-0.58%
EIDO	17.61	0.03	0.17%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2.861.1	4.8	0.17%
Crude Oil (\$/bbl)	71.00	0.39	0.55%
Coal (\$/ton)	107.25	(1.70)	-1.56%
Nickel LME (\$/MT)	15.756	(55.0)	-0.35%
Tin LME (\$/MT)	31.109	107.0	0.35%
CPO (MYR/Ton)	4.504	101.0	2.29%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>	-	-	-	-	-	-	-
10 – February							
<b>Tuesday</b>	-	-	-	-	-	-	-
11 – February							
<b>Wednesday</b>	US	19.00	MBA Mortgage Applications	-	Feb 7	-	2.2%
12 – February	US	20.30	CPI MoM	-	Jan	0.3%	0.4%
	US	20.30	CPI YoY	-	Jan	2.9%	2.9%
<b>Thursday</b>	US	20.30	Initial Jobless Claims	-	Feb 8	-	219k
13 – February	US	20.30	PPI Final Demand MoM	-	Jan	0.2%	0.2%
<b>Friday</b>	US	20.30	Retail Sales Advance MoM	-	Jan	0.0%	0.4%
14 – February	US	21.15	Industrial Production MoM	-	Jan	0.3%	0.9%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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