

# Morning Briefing

Daily | February 11, 2025

Today's Outlook:

**US MARKET:** US DOLLAR rallied for a third straight session on Monday after US President Donald Trump warned of more tariffs, including on steel and aluminum, while global stock indexes advanced, shrugging off concerns about another round of duties. Trump is expected to announce 25% tariffs on Monday or Tuesday on all US steel and aluminum imports, and soon unveil other reciprocal tariffs. China's retaliatory tariffs on some US exports took effect on Monday, with no sign of progress towards a new trade arrangement between Beijing and Washington.

**MARKET SENTIMENT:** Some analysts fear tariffs could reignite US inflationary pressures, removing flexibility from the Federal Reserve to cut interest rates, a factor that has also helped support the US Dollar since Trump's re-election. Markets largely expect the Federal Reserve to keep rates on hold at its March meeting, with the probability of a 25 basis point cut remaining low at just under 50% at least through June, according to the CME FedWatch Tool survey. FED CHAIRMAN JEROME POWELL will speak on Tuesday to elaborate semi-annual monetary policy before the Senate Banking, Housing, and Urban Affairs Committee. His comments on rates and inflation are likely to be closely monitored.

**CURRENCY & FIXED INCOME:** The DOLLAR INDEX (DXY), which measures the greenback's strength against a basket of currencies, gained 0.2% to 108.30, with the EURO down 0.18% at \$1.0308. Against the Japanese YEN, the Dollar strengthened 0.34% to 151.91 while the POUNDSTERLING slipped 0.37% to \$1.2363. The Canadian Dollar fell 0.1% to C\$1.43/USD and the Mexican Peso lost 0.2% against the USD at 20.607 as the US Dollar retreated from its previous high.

The benchmark 10-year US TREASURY YIELD rose 1.4 basis points to 4.501% as investors await a new wave of supply and key economic data such as the latest US CPI reading.

**ASIA & EUROPE MARKETS:** JAPAN Prime Minister Shigeru Ishiba expressed optimism on Sunday that his country could avoid higher US tariffs and a retaliatory tariff war.

**COMMODITIES:** OIL prices bounced back despite lingering concerns over a potential global trade war. US WTI crude oil closed up 1.86% to \$72.32 per barrel and BRENT appreciated to \$75.87 per barrel, up 1.62%.

**INDONESIA :** Today we will wait for Consumer Confidence (Jan) data with previous month comparison at 127.7. Domestic market sentiment that is not conducive to the entry of foreign investment into Indonesia. Especially due to the recent news and related issues that do not emphasize the implementation of GCG (good corporate governance) in the legal system and investment climate in Indonesia.

Domestic News

Komdigi Prioritizes 1.4 GHz Frequency Auction to Expand Cheap Internet Access

The Ministry of Communications and Digital prioritizes the auction of the 1.4 GHz frequency for Broadband Wireless Access (BWA) services, aka data communication access using the radio frequency spectrum. This step is to expand internet access at affordable prices. "We are planning this year, yesterday we conducted a public consultation," said Plt. Director of Radio Frequency Spectrum Arrangement, Satellite Orbit, and Digital Infrastructure Standardization, Adis Alifiawan, met after the Cellular Business Forum event, in the Central Jakarta area, Monday (10/2). The frequency to be auctioned is the 1.4 GHz spectrum with a width of 80 Mhz, targeted to reach household internet services to the education sector. The target speed of internet services for BWA providers is up to 100 Mbps, with prices ranging from Rp 100,000 to Rp 150,000. "We want the resulting services to be sold in an affordable price range, around Rp 100,000 to Rp 150,000 per month. With this price, the service received by the community must be of high quality, not just a mediocre service," said Adis. The target internet speed is up to 100 Mbps. However, because frequency-based services have various technical challenges compared to fiber optic cable networks, this speed is 'up to' or maximum. He said that frequency utilization is one of the solutions to increase internet penetration in Indonesia, especially in the future.

Corporate News

WIKA: Pefindo Slips WIKA's Rating to idCCC, Here's Why

Pemeringkat Efek Indonesia (Pefindo) slashed Wijaya Karya's (WIKI) rating to idCCC with negative CreditWatch implications. At the same time, Pefindo also downgraded Sustainable Bonds I, II, and III to idCCC, and Sustainable Mudharabah Sukuk I, II, and III to idCCC (sy). The action was taken following the company's failure to obtain approval from the holders of Sustainable Bonds II Phase II/2022 Series A amounting to Rp593.9 billion, and Sustainable Mudharabah Sukuk II Phase II/2022 Series A amounting to Rp412.9 billion. The bonds will mature on February 18, 2025. Pefindo assesses that it is likely that the company will not be able to fulfill the principal payments of the bonds and sukuk in full and on time due to its weak liquidity position. The rating reflects the company's established presence in the national construction industry. The rating is constrained by its financial profile, weak liquidity, previous expansion risk, and volatile business environment. The company's inability to repay bonds and sukuk may lead to a rating downgrade. (Emiten News)

Recommendation

US10YT is seen making an attempt to climb back up to their uptrend platform, which has been kicked below MA10 & MA20, will prevent the yield from rising above 4.50% - 4.56% as the nearest Resistance area. The clear uptrend has changed direction now escorting the yield downtrend towards the following cushions: 4.40% - 4.34%. However, it is necessary to pay attention to the erratic and often unexpected tariff sentiment, as well as US economic indicators that are still strong, making Inflation difficult to fall.

ID10YT seems to be heading towards the Target bottom around 6.788% yield, while RSI is almost entering Oversold territory. Indonesian sovereign bond yields need to maintain a competitive spread with US Treasuries, therefore the anticipated decline is likely to be contained at that level; which is equivalent to 61.8% Fibonacci retracement. The downtrend in yield has the nearest resistance around 6.96% - 7.0%, up to 7.08%.

PRICE OF BENCHMARK SERIES

FR0090 : 97.019 (-0.07%)  
FR0091 : 97.782 (+0.09%)  
FR0092 : 100.697 (-0.10%)  
FR0094 : 96.640 (+0.00%)

FR0086 : 98.801 (-0.06%)  
FR0087 : 98.986 (+0.08%)  
FR0083 : 104.231 (+0.05%)  
FR0088 : 94.935 (+0.24%)

CDS of Indonesia Bonds

CDS 2yr: +0.62% to 36.545  
CDS 5yr: -0.06% to 75.683  
CDS 10yr: +0.31% to 124.945

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.85%	-0.03%
USDIDR	16.345	0.43%
KRWIDR	11.27	0.69%

Global Indices

Index	Last	Chg.	%
Dow Jones	44.470.41	167.01	0.38%
S&P 500	6.066.44	40.45	0.67%
FTSE 100	8.767.80	67.27	0.77%
DAX	21.911.74	124.74	0.57%
Nikkei	38.801.17	14.15	0.04%
Hang Seng	21.521.98	388.44	1.84%
Shanghai	3.322.17	18.50	0.56%
Kospi	2.521.27	(0.65)	-0.03%
EIDO	17.50	(0.11)	-0.62%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2.908.3	47.2	1.65%
Crude Oil (\$/bbl)	72.32	1.32	1.86%
Coal (\$/ton)	105.65	(1.60)	-1.49%
Nickel LME (\$/MT)	15.522	(234.0)	-1.49%
Tin LME (\$/MT)	31.145	36.0	0.12%
CPO (MYR/Ton)	4.593	89.0	1.98%

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

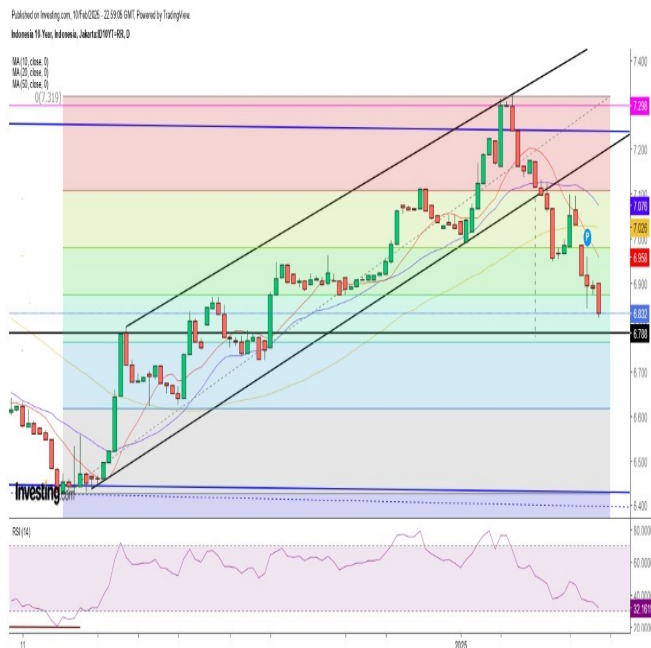
Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>	-	-	-	-	-	-	-
10 – February							
<b>Tuesday</b>	-	-	-	-	-	-	-
11 – February							
<b>Wednesday</b>	US	19.00	MBA Mortgage Applications	-	Feb 7	-	2.2%
12 – February	US	20.30	CPI MoM	-	Jan	0.3%	0.4%
	US	20.30	CPI YoY	-	Jan	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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