

Morning Briefing

Daily | February 13, 2025

Today's Outlook:

US MARKET: Market participants are betting on just one 25 basis point rate cut by the Fed later this year after the release of US inflation data, down from about 36 basis points of easing expected in 2025. The yield on the benchmark 10-year US Treasury bond, which reflects economic growth and inflation expectations, jumped more than 10 basis points and was last at 4.65%, the highest in almost 3 weeks.

MARKET SENTIMENT : US CPI rose more than expected in January, suggesting inflationary pressures are still there to prompt the Federal Reserve to think carefully before deciding on future interest rate cuts. Headline inflation rose by 3.0% yoy, above expectations that the reading would remain the same as December's 2.9% pace. On a monthly basis, US CPI unexpectedly rose to 0.5%, up from 0.4% in the previous month and noticeably hotter than economists' expectations of 0.3%. Core inflation, which excludes volatile components such as food and energy, also rose more than expected, rising 0.4% month-on-month and 3.3% year-on-year, above forecasts of 0.3% and 3.1%, respectively. Macquarie said the surprise in US inflation this time round further strengthened the case for a prolonged pause in Fed rate cuts in 2025; in line with what Fed Chairman Jerome Powell just said on Tuesday that the central bank is in no rush to cut interest rates, given that the central bank has already cut rates by 1% in 2024, and amid the fact that the US economy remains strong. In his second day of testimony before Congress, Powell said that the Fed wants to maintain a restrictive monetary policy for now, given that inflation is moving further away from the US central bank's 2% target. US PPI will still color the US Inflation data series tonight which is also expected to produce above-expected numbers, along with the usual weekly Initial Jobless Claims data.

EUROPEAN & ASIAN MARKET: UK will be in the spotlight today with their preliminary 4Q GDP report, which is expected to further increase towards 1.1% yoy. Of course, this can only be achieved when there is a real positive improvement in their Industrial and Manufacturing Production (Dec) which had previously contracted in November. Speaking of Inflation, today it is the turn of GERMAN CPI (Jan) which will also be monitored, but in contrast to the US, the CPI in Europe's number one economy is actually predicted to cool to 2.3% yoy, from 2.6% previously. Meanwhile, EUROZONE will present EU Economic Forecasts while waiting for Industrial Production data (Dec).

- **JAPANESE YEN** suffered its worst day of the year against the **US DOLLAR** on Wednesday but is expected to bounce back on Thursday when Japan's PPI (Jan) figures showed strong results. Japan's producer price inflation turned out to heat up to 4.2% yoy, 0.2% above expectations of 4.0% and 0.3% higher than Dec's 3.9%. The reading was the highest level since June 2023 and strengthens the case for further rate hikes.

COMMODITIES: OIL prices plunged more than 2% on Wednesday after U.S. President Donald Trump took the first major step in diplomacy over the **RUSSIA-UKRAINE** war he has promised to end, a war that has buoyed oil prices amid concerns about global supply. Brent futures fell \$1.82, or 2.36%, to \$75.18 a barrel. U.S. WTI crude slumped \$1.95, or 2.66%, to settle at \$71.37. U.S. WTI fell more than \$2 at its session low, after a three-day rally that saw Brent gain 3.6% and U.S. WTI gain 3.7%. U.S. President Donald Trump discussed the war in Ukraine in a phone call with Russian President Vladimir Putin and Ukrainian President Volodymyr Zelenskii. Traders said Trump's peace talks could remove some of the risk premium from oil prices.

Domestic News

Ministry of Industry to Release New Regulations, Industry Required to Report Emissions & Carbon Trading

The Ministry of Industry (Kemenperin) has revealed plans to issue a circular and new regulations for industrial business actors that require reporting of greenhouse gas and pollutant carbon emissions. This is a step to achieve the 2050 Net Zero Emission (NZE) target for industry. Functional Expert Industry Supervisor of the Ministry of Industry, Sri Gadis Pari Bekti said that her party has designed various roadmaps in order to reduce carbon emissions, while encouraging the creation of green industries. "In the near future, a circular will be issued for industries that are required to report emissions, not only GHG emissions but also pollutants," said Sri at the Bisnis Indonesia Forum in Jakarta, Wednesday (12/2/2025). In this regard, Sri also explained that the Ministry of Industry has prepared a roadmap for carbon trading which was completed last year. The roadmap refers to Presidential Decree 98/2021 concerning the Implementation of Carbon Economic Value for Nationally Determined Contributions and Greenhouse Gas Control in National Development. As a follow-up, this year the Ministry of Industry will prepare a roadmap specifically related to the determination of emission limits and the provision of allowances for business actors. "From the industrial sector, perhaps not all actors are ready because we, the industry, use energy, of course energy will trigger emissions, the hope is that we in the industry must be able to decarbonize," he said. (Bisnis)

Corporate News

SRAJ: Permission Obtained, Issuer Sri Tahir Offers USD125 Million in Bonds

Sejahteraraya (SRAJ) is preparing to issue bonds worth IDR1.89 trillion, equivalent to USD125 million. The plan has received approval from investors. The support from investors reached 99.998 percent with a quorum of 100 percent attendance. Based on the scenario, the bonds will be absorbed by BCSS Maverick Holdings I, LP, and BCSS Maverick Holdings II, LP. BCSS Maverick I and II will each absorb USD62.5 million. This is based on the Bond Subscription Agreement (BSA) on November 29, 2024. The investors are under the control of Bain Capital Credit, LP. The company plans to allocate the funds to be obtained from the issuance of the bonds to support the working capital of the company's group. Assisting in business development through the construction of several projects and used for the company's working capital and subsidiaries. (Emiten News)

Recommendation

US10YT has again shot above the Resistance Moving Average, 10, 20, and 50-days, thanks to the US CPI which turned out to be increasingly hot. Yield is trying to continue this medium-term upward trend towards Resistance 4.80%, and is still in a stable trajectory towards yield 5.0%.

ID10YT showed a rebound reaction after reaching the yield drop target of around 6.80%, just when the RSI indicator entered the Oversold area. Resistance / target near: MA10 at yield 6.92%.

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	6.84%	0.01%
USDIDR	16,367	-0.05%
KRWIDR	11.26	-0.13%

Global Indices

Index	Last	Chg.	%
Dow Jones	44,368.56	(225.09)	-0.50%
S&P 500	6,051.97	(16.53)	-0.27%
FTSE 100	8,807.44	30.05	0.34%
DAX	22,148.03	110.20	0.50%
Nikkei	38,963.70	162.53	0.42%
Hang Seng	21,857.92	563.06	2.64%
Shanghai	3,346.39	28.33	0.85%
Kospi	2,548.39	9.34	0.37%
EIDO	17.47	0.17	0.98%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,904.0	6.1	0.21%
Crude Oil (\$/bbl)	71.37	(1.95)	-2.66%
Coal (\$/ton)	104.50	(0.25)	-0.24%
Nickel LME (\$/MT)	15,420	(118.0)	-0.76%
Tin LME (\$/MT)	31,581	417.0	1.34%
CPO (MYR/Ton)	4,621	28.0	0.61%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	6.00%	Real GDP	5.02%	4.95%
FX Reserve (USD bn)	156.08	155.70	Current Acc (USD bn)	-2.15	-3.02
Trd Balance (USD bn)	2.24	4.42	Govt. Spending Yoy	4.17%	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	0.76%	1.57%	Cons. Confidence*	127.20	127.70

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	-	-	-	-	-	-	-
10 – February							
Tuesday	-	-	-	-	-	-	-
11 – February							
Wednesday	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%
Thursday	US	20.30	Initial Jobless Claims	-	Feb 8	-	219k
13 – February	US	20.30	PPI Final Demand MoM	-	Jan	0.2%	0.2%
Friday	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



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

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

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