

# Morning Briefing

Daily | February 17, 2025

Today's Outlook:

**US MARKET SENTIMENT:** The U.S. Commerce Department said **RETAIL SALES** fell 0.9% last month, the biggest drop since March 2023, after an upwardly revised 0.7% gain in December, and well below an estimate of a 0.1% decline from economists polled by Reuters, indicating rising prices and tariff uncertainty may be causing consumers to tighten spending. Other data from the Federal Reserve showed **INDUSTRIAL PRODUCTION** fell 0.1% last month, lower than estimates calling for a 0.1% rise, after a downwardly revised 0.5% rebound in December, due to a sharp drop in motor vehicle production.

- On Thursday, **US PRESIDENT DONALD TRUMP** ordered his economic team to draw up plans for reciprocal tariffs on any countries that tax American imports, raising the risk of a global trade war, but did not impose another round of duties. On Friday, Trump again warned that BRICS countries could face tariffs from the United States if they create their own currencies.

- Investors are also watching the latest reports from the Munich Security Conference, where **US VICE PRESIDENT JD VANCE** accused European leaders on Friday of censoring free speech and failing to control immigration, prompting a strong rebuke from Germany's Defense Minister and overshadowing discussions on the war in Ukraine. The meeting between Vance and Ukrainian President Volodymyr Zelenskyy ended without news of a deal for the crucial minerals at the center of Ukraine's efforts to win Trump's support.

**FIXED INCOME & CURRENCIES:** The odds of a **FED FUND RATE** cut of at least 25 basis points by the Federal Reserve in June have crept back up to 51.3%, after the market estimated a 40.3% probability in the previous session, according to the CME FedWatch Tool. Dallas Fed President Lorie Logan reiterated her view on Friday that although inflation data will be cooler in the coming months, the US central bank should not reduce short-term borrowing costs in response.

- The **DOLLAR INDEX**, which measures the greenback's strength against a basket of currencies, fell 0.3% to 106.77 after falling to a 2-month low of 106.56, with the EURO up 0.28% at \$1.0493. Against the Japanese YEN, the Dollar weakened 0.35% to 152.26 while the POUNDSTERLING strengthened 0.14% to \$1.2583 against the greenback. The benchmark 10-year US TREASURY YIELD fell 4.7 basis points to 4.478% but was still on track for a weekly gain after two consecutive weeks of declines.

**EUROPEAN & ASIAN MARKETS:** EUROZONE GDP for the 4th quarter grew 0.9% yoy as expected, but fell quarterly to 0.1% qoq from 0.4% in the previous quarter. The Eurozone economy contracted, as evidenced by the employment change which trended downwards in the 4th quarter.

- From the continent of ASIA, what is brewing in CHINA cannot be underestimated, as they were recorded to have disbursed the largest amount of bank credit (for consumers & businesses) in (at least) the last 20 years in February, amounting to 5130 billion Yuan, suddently 5x the amount in January. This is in line with China's rapid development of AI-related technology in recent times, which has shaken up the likes of US giant Nvidia, and its Magnificent Seven peers.

- This morning, there is a release of the preliminary estimate of JAPAN's Q4 GDP which turned out to beat estimates & the previous quarter, at a growth rate of 0.7% qoq; on an annualized basis at 2.8% yoy (stronger than the previous quarter's 1.7%). Later in the afternoon, Industrial Production (Dec) data will be in the spotlight.

**COMMODITIES:** OIL prices fell, erasing earlier gains, as prospects of a peace deal between RUSSIA & UKRAINE were offset by delays in US reciprocal tariffs. US WTI crude fell 0.77% to \$70.74 per barrel and BRENT closed at \$74.74 per barrel, aka depreciated 0.37% on the day.

**INDONESIA:** Today is the release of the Trade Balance (Jan) data which is predicted to remain in surplus but come out at a lower figure than the previous month's USD 2.24bn, to USD 1.91bn. However, Export growth is expected to increase to 7% while Imports may not be able to match the previous month's level of 11%.

Domestic News

Demand for THR, Ojol Drivers Hold Massive Demo on February 17

The Indonesian Transport Workers Union (SPAI) confirmed that online transportation drivers (ojol drivers) will hold a demonstration to demand the right to holiday allowance or THR on Monday (17/2/2025). SPAI Chairperson Lily Pujiati confirmed that the action will be carried out on Monday (17/2/2025) to demand the THR Ojol. The action will be held in front of the Ministry of Manpower (Kemenaker) office. "Yes [ojol drivers will hold a demonstration], the main demand is about THR," Lily told Bisnis, Sunday (16/2/2025). In addition to the THR, Lily revealed that other demands for action were related to tariff cuts that were too high for ojol drivers. As well as, demanding to remove low wages in the Aceng and Slot service programs. "There is a program called Aceng, the wage is cheap for long and short distances of Rp5,000. Slot [service] has rules per area and per hour, if you don't follow the designated areas and hours," she explained. Lily said that this program forces ojol drivers to work in other places or areas and far from home. "Even though not all areas are crowded and paid cheaply," she added. ( Bisnis )

Corporate News

BVIC: Fat Cash, BVIC Ready to Pay Off IDR 350 Billion in Maturity Bonds

Bank Victoria International (BVIC) has IDR 350 billion in maturing bonds. This is in the form of Continuous Subordinated Bonds I Phase II of 2018. The bonds with an idBBB rating will mature on June 5, 2025. Based on the scenario, the company plans to pay off the maturing bonds using internal funds. As of the end of 2024, the cash position and placements in banks were recorded at IDR 2.7 trillion. Then it has securities of IDR 5.4 trillion. (Emiten News)

Recommendation

US10YT terkoreksi 2,03% dan telah mundur kembali di bawah support pola saluran tren naik utama 4,72-4,85%. Yield mencoba melanjutkan tren naiknya di pertengahan tahun menuju resistance 4,80%, dan masih dalam lintasan stabil menuju yield 5,0%.

ID10YT melanjutkan rebound-nya dengan lemah setelah mencapai target penurunan yield sekitar 6,80%, tepat ketika indikator RSI memasuki wilayah Oversold. Resistance/target penutupan: MA10 pada yield 6,92%.

## 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

## 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	6.77%	-0.07%
USDIDR	16,260	-0.58%
KRWIDR	11.28	-0.18%

## Global Indices

Index	Last	Chg.	%
Dow Jones	44,546.08	(165.35)	-0.37%
S&P 500	6,114.63	(0.44)	-0.01%
FTSE 100	8,732.46	(32.26)	-0.37%
DAX	22,513.42	(98.60)	-0.44%
Nikkei	39,149.43	(312.04)	-0.79%
Hang Seng	22,620.33	805.96	3.69%
Shanghai	3,346.72	14.24	0.43%
Kospi	2,591.05	7.88	0.31%
EIDO	17.67	0.07	0.40%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,882.5	(45.7)	-1.56%
Crude Oil (\$/bbl)	70.74	(0.55)	-0.77%
Coal (\$/ton)	102.75	(1.55)	-1.49%
Nickel LME (\$/MT)	15,468	94.0	0.61%
Tin LME (\$/MT)	32,662	681.0	2.13%
CPO (MYR/Ton)	4,592	38.0	0.83%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
<b>Monday</b>							
17 – February							
<b>Tuesday</b>	US	20.30	Empire Manufacturing	-	Feb	-2.0	-12.6
18 – February							
<b>Wednesday</b>	US	19.00	MBA Mortgage Applications	-	Feb 14	-	2.3%
19 – February	US	20.30	Housing Starts	-	Jan	1397k	1499k
<b>Thursday</b>	US	20.30	Initial Jobless Claims	-	Feb 15	215k	213k
20 – February	US	22.00	Leading Index	-	Jan	-0.1%	-0.1%
<b>Friday</b>	US	21.45	S&P Global US Manufacturing PMI	-	Feb	51.2	51.2
21 – February	US	22.00	Existing Home Sales	-	Jan	4.13m	4.24m

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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