

Morning Briefing



NH KORINDO
SEKURITAS INDONESIA

Daily | March 19, 2025

Today's Outlook:

The Dow Jones Industrial Average lost 260.32 points, or 0.62%, closing at 41,581.31. The S&P 500 shed 1.07%, ending at 5,614.66. The broad market index concluded the day 8.6% off its closing high reached in February, bringing it near correction territory. The Nasdaq Composite dropped 1.71% and settled at 17,504.12. Tesla, one of the stocks hardest hit during the market's recent correction, was down yet again on Tuesday. That marked a turn after several tough weeks on Wall Street as some soft economic data and Trump's on-again-off-again tariff policy left investors wary of the U.S.' financial health.

MARKET SENTIMENT : BI 7D RR & FOMC Meeting.

FIXED INCOME AND CURRENCY : Shorter-dated US government bond yields rose on Monday after the control group in February's US retail sales data rose by 1%, beating economists' estimates. The US 10-year Treasury yield fell by 1 point to 4.30%. The US 2-year Treasury yield lifted 3 points to 4.05%. The dollar eased against the euro on Tuesday as Germany's parliament approved plans for a massive spending surge on Tuesday and as the Federal Reserve kicked off its March policy meeting that could offer clues to the path of U.S. interest rates. The euro was 0.2% higher at \$1.0945, after hitting \$1.0954 earlier in the session, its highest since October 10. The greenback hit a two-week high against the yen before paring gains to trade about unchanged on the day at 149.165 yen, ahead of Wednesday's policy decision by the Bank of Japan. Elsewhere, the Australian dollar slipped 0.4% to \$0.6358 after rising to its highest in about a month on Monday.

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-The rupiah weakened 0.3 percent against the dollar. The currency is the worst performer in Asia this year. The greenback hit a two-week high against the yen before paring gains to trade about unchanged on the day at 149.165 yen, ahead of Wednesday's policy decision by the Bank of Japan.

EUROPE : Investor focus on Germany's historic debt reform deal and a closely-watched phone call between U.S. President Donald Trump and Russian leader Vladimir Putin. Germany's Bundestag on Tuesday afternoon voted in favor of a major fiscal package which creates exemptions to long-standing debt rules to unlock higher defense spending, as well as enabling a 500 billion euro (\$548 billion) infrastructure and climate fund.

ASIA : The Jakarta Composite Index slid as much as 7.1%, the biggest intraday slump since September 2011. The market hit a 30-minute temporary suspension after falling through a 5 per cent threshold for the first time since late 2020. Concerns about the growth prospects for South-east Asia's largest economy are mounting, following President Prabowo Subianto's recent directives to reallocate funds towards his priority projects. The country posted a rare budget deficit early into the year, with state revenues dropping more than 20 per cent year on year.

COMMODITY : Gold hit another record high above \$3,000 on Tuesday, with investors seeking the metal as a haven from risk as conflict flared in the Middle East and U.S. President Donald Trump pressed on with tariff plans. Spot gold hit a peak of \$3,028.24 in early trade, and was up 1.2% at \$3,037.38 an ounce. Prices climbed above \$3,000 for the first time on March 14. U.S. gold futures gained 1.3% to \$3,043.40. This lead by Israeli air strikes pounded Gaza, killing 326 people, Palestinian health authorities said on Tuesday, and collapsing a two-month ceasefire with Hamas. Elsewhere, Donald Trump has floated plans for a series of U.S. tariffs, including a flat 25% duty on steel and aluminium which came into effect in February, as well as reciprocal and sectoral tariffs that he said will be imposed on April 2. Brent futures fell 51 cents, or 0.72%, to close at \$70.56 a barrel, while U.S. West Texas Intermediate (WTI) crude fell 68 cents, or 1.01%, to settle at \$66.90 as U.S. President Donald Trump and Russian President Vladimir Putin discussed moves to end the three-year-old war in Ukraine, which could result in a possible easing of sanctions on Russian fuel exports.

Domestic News

Minerba Royalty Hike Continues as Industry Shadowed by Mine Closures-Layoffs

The plan to increase mineral and coal royalty rates is confirmed to be implemented immediately despite objections from mining businesses. The government emphasizes that this policy will not burden the industry. The Ministry of Energy and Mineral Resources (ESDM) said that the draft rules for new royalty rates for coal, nickel, copper, gold, silver and tin metal are almost complete and have been at the Ministry of State Secretariat. The new tariffs will be outlined in the form of a government regulation (PP) which is a revision of PP No. 26 of 2022 concerning Types and Tariffs on Types of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources, as well as PP No. 15 of 2022 concerning Treatment of Taxation and / or PNPB in the Field of Coal Mining Business. Director General of Mineral and Coal of the Ministry of Energy and Mineral Resources Tri Winarno ensured that the royalty increase policy would not kill the mining industry. He said the government had conducted studies and measured the financial capacity of mining companies before deciding to raise mineral and coal royalties. "The government, before making an increase, must have evaluated the company's financial statements which can be optimal between revenue [for] the government and the company," Tri explained, Tuesday (3/18/2025). Tri admitted that at least the government studied the financial statements of at least 10 companies from each mineral and coal subsector. From the results of an in-depth study of the company's financial statements, the government believes that entrepreneurs will not lose if the mineral and coal royalty rate increases. For this reason, he considered that the protests filed by entrepreneurs over the royalty increase plan were not comprehensive. "We still receive some input, but it's not comprehensive. Meaning, 'we will lose'. How come, which figure is the loss?" said Tri. (Bisnis)

Corporate News

WIIKA: Wijaya Karya Defaults on Sukuk and Bonds

PT Wijaya Karya (Persero) Tbk (WIIKA) has defaulted on its sustainable sukuk mudharabah and sustainable bond obligations. Information on the default was announced by PT Bank Mega Tbk as the trustee for the issuance of the two series of debt securities. Based on the announcement quoted, Monday, March 17, 2025, Wijaya Karya defaulted on its repayment obligations for the sustainable sukuk mudharabah II Phase II in 2022 series A which matured on February 18, 2025. "Hereby informing the Holders of Sustainable Sukuk Mudharabah II Wijaya Karya Phase II Year 2022 that PT Wijaya Karya (Persero) Tbk has defaulted in fulfilling its repayment obligations for the Sustainable Sukuk Mudharabah Fund II Wijaya Karya Phase II Year 2022 Series A which matures on February 18, 2025 and the default is not corrected within the time limit as stipulated in the Trustee Agreement." In addition, Wijaya Karya also defaulted on the principal repayment obligation of the sustainable bonds II Phase II year 2022 series A which matured on February 18, 2025. "Hereby notifying the Holders of Shelf-Registered Bonds II Wijaya Karya Phase II Year 2022 that PT Wijaya Karya (Persero) Tbk has defaulted in fulfilling the principal repayment obligation of Shelf-Registered Bonds II Wijaya Karya Phase II Year 2022 Series A due on February 18, 2025 and the default is not corrected within the time limit as stipulated in the Trustee Agreement." (Media Asuransi)

Recommendation

US10YT elevated 1.17% to 4.320%. America's benchmark bond yield reverted from its previous uptrend into a downtrend as Trump continues his tariff policies and trade war on other global powerhouses despite economists point to a high likelihood of the country entering a recession by the end of 2025.

ID10YT went up by 0.37% to 6.981% which is the nearest dynamic resistance MA200(red). It is believed most investors are worried of the implications from the launching for Indonesia's Sovereign Wealth Fund Danantara.

PRICE OF BENCHMARK SERIES

FR0090 : 97.349 (-0.02%)

FR0091 : 97.479 (-0.04%)

FR0092 : 100.193 (-0.29%)

FR0094 : 97.061 (+0.01%)

FR0086 : 99.108 (+0.00%)

FR0087 : 98.526 (-0.12%)

FR0083 : 103.504 (-0.20%)

FR0088 : 94.649 (-0.18%)

CDS of Indonesia Bonds

CDS 2yr: +0.64% to 39.15

CDS 5yr: +3.00% to 85.36

CDS 10yr: +2.45% to 135.11

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.03%	0.04%
USDIDR	16.425	0.15%
KRWIDR	11.32	-0.38%

Global Indices

Index	Last	Chg.	%
Dow Jones	41.581.31	(260.32)	-0.62%
S&P 500	5.614.66	(60.46)	-1.07%
FTSE 100	8.705.23	24.94	0.29%
DAX	23.380.70	226.13	0.98%
Nikkei	37.845.42	448.90	1.20%
Hang Seng	24.740.57	595.00	2.46%
Shanghai	3.429.76	3.63	0.11%
Kospi	2.612.34	1.65	0.06%
EIDO	15.74	(0.88)	-5.29%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	3.034.7	34.1	1.14%
Crude Oil (\$/bbl)	66.90	(0.68)	-1.01%
Coal (\$/ton)	97.10	(1.65)	-1.67%
Nickel LME (\$/MT)	16.249	(181.0)	-1.10%
Tin LME (\$/MT)	35.240	53.0	0.15%
CPO (MYR/Ton)	4.366	(108.0)	-2.41%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.02%	4.95%
FX Reserve (USD bn)	156.08	155.70	Current Acc (USD bn)	-1.15	-2.15
Trd Balance (USD bn)	3.45	2.24	Govt. Spending Yoy	4.17%	1.42%
Exports Yoy	4.68%	4.78%	FDI (USD bn)	5.12	7.45
Imports Yoy	-2.67%	11.07%	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	US	19.30	Empire Manufacturing	-	Mar	-2.0	5.7
17 – March	US	19.30	Retail Sales Advance MoM	-	Feb	0.7%	-0.9%
Tuesday	US	19.30	Housing Starts	-	-	1380k	1366k
18 – March	US	20.15	Industrial Production MoM	-	Feb	0.2%	0.5%
Wednesday	US	18.00	MBA Mortgage Applications	-	Mar 14	-	1.0%
19 – March							
Thursday	US	01.00	FOMC Rate Decision (Upper Bound)	-	Mar 19	4.50%	4.50%
20 – March	US	19.30	Initial Jobless Claims	-	Mar 15	-	220k
	US	21.00	Leading Index	-	Feb	-0.2%	-0.3%
	US	21.00	Existing Home Sales	-	Feb	3.93m	4.08m
Friday	-	-	-	-	-	-	-
21 – March							

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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