

Morning Briefing



NH KORINDO
SEKURITAS INDONESIA

Daily | March 21, 2025

Today's Outlook:

US MARKET: Fed policymakers kept their forecast for two rate cuts this year, they raised their inflation outlook and trimmed their economic growth expectations. The forecast raised the specter of stagflation – a scenario of rising inflation as the economy’s growth slows. Uncertainty around President Donald Trump’s tariff policies has rattled stocks in recent weeks, and Fed Chair Jerome Powell noted that tariffs may “delay” progress on inflation.

MARKET SENTIMENT : US S&P Global Manufacturing PMI

FIXED INCOME and CURRENCY : U.S. Treasury yields dipped on Thursday as investors weighed the state of the U.S. economy a day after the Federal Reserve held interest rates steady. The benchmark 10-year Treasury note yield slipped more than 1 basis point to 4.237%, and the 2-year Treasury yield was more than 1 basis point lower at 3.962%. One basis point is equal to 0.01%. Yields and prices move in opposite directions. The Fed’s announcement came as investors are increasingly concerned about a slowing U.S. economy, due to the effect of U.S. President Donald Trump’s trade policies, particularly implementing tariffs on global trade partners. This has raised alarm bells about the possibility of a recession. Powell noted that the arrival of tariffs has put upward pressure on inflation expectations. The dollar appreciated broadly on Thursday, a day after the Federal Reserve indicated it was in no rush to cut interest rates further this year due to uncertainties around U.S. tariffs. The Swiss franc weakened after the Swiss National Bank lowered its policy rate to 0.25%, while the Swedish krona was soft after its central bank maintained its interest rate. The euro was 0.46% lower against the dollar at \$1.0852 after U.S. policymakers, on Wednesday, held interest rates steady and signaled two quarter-point interest rate cuts for later this year, the same median forecast as three months ago.

EUROPE : European markets closed lower on Thursday, as global economic uncertainty cast a shadow over monetary policy announcements from the Bank of England, Swiss National Bank and Sweden’s Riksbank. The Bank of England held its key interest rate at 4.5% on Thursday, with the central bank warning of global trade uncertainty arising from new U.S. Shares of German engineering and defense group Thyssenkrupp lost early gains to decline 4%.

-The euro was 0.46% lower against the dollar at \$1.0852 after U.S. policymakers, on Wednesday, held interest rates steady and signaled two quarter-point interest rate cuts for later this year, the same median forecast as three months ago. As well as the Swiss franc, weaken against the U.S. dollar after the SNB cut its key interest rate by a quarter percentage point to 0.25%. Swiss annual inflation fell to an almost four-year low of 0.3% in February.

ASIA : China kept its key lending rates unchanged as Beijing juggles propping up growth and stabilizing its currency amid mounting trade frictions. The People’s Bank of China kept the 1-year loan prime rate at 3.1% and the 5-year LPR at 3.6%, where they have been since a quarter-percentage-point cut in October.

-The Japanese yen dropped 0.35%, with USD/JPY at 148.7500, while the Chinese yuan edged up 0.08% to USD/CNY 7.2372, and the South Korean won gained 0.15%, with USD/KRW at 1,325.50. The yen weakened after the Bank of Japan held rates steady on March 18, 2025, post the U.S. Federal Reserve’s decision to maintain rates, signaling no shift to counter a firm dollar. The yuan’s slight rise reflects China’s tight currency management amid stimulus hints, while the won’s advance ties to strong foreign inflows into Korean markets despite regional caution following the Fed’s stance.

COMMODITY : Gold prices eased on Thursday after hitting a record high earlier in the session, but retained a bullish outlook driven by potential rate cuts signalled by the Federal Reserve and continuing geopolitical and economic uncertainties. Spot gold was down 0.3% at \$3,038.79 an ounce by 11:38 a.m. EDT (1538 GMT) due to profit-taking, after hitting a record high of \$3,057.21. U.S. gold futures settled 0.1% higher at \$3,043.80 per ounce. Gold Prices remain positive growth during economic uncertainty, underpinned by much higher hedging/investment demand on fears of US hard landing/stagflation. Brent crude futures gained \$1.22, or 1.72%, to close at \$72 a barrel. The U.S. West Texas Intermediate crude (WTI) contract for April, expiring on Thursday, rose \$1.10 to settle at \$68.26. Oil prices rose on Thursday after the United States issued new Iran-related sanctions and renewed tensions in the Middle East countered strength in the dollar. The U.S. on Thursday issued new Iran-related sanctions, targeting entities including for the first time a Chinese “teapot”, or independent refinery, and vessels that supplied crude oil to such processing plants. However, U.S. crude inventories rose 1.7 million barrels, exceeding expectations for an increase of 512,000 barrels.

Domestic News

Indonesia parliament passes contentious amendments to military law

Indonesia’s parliament passed revisions to the country’s military law on Thursday, allocating more civilian posts for military officers as hundreds of students and activists protested against the legislation. The revisions have been criticised by civil society groups, who say it could take the world’s third-biggest democracy back to the draconian ‘New Order’ era of former strongman president Suharto, when military officers dominated civilian affairs. Speaker Puan Maharani led the unanimous vote in a plenary council and officially passed the law, saying that it was in accordance with the principles of democracy, human rights and civil supremacy. President Prabowo Subianto, who took office last October and was a special forces commander under Suharto, has been expanding the armed forces’ role into what were considered civilian areas, including his flagship programme of free meals for children. Rights groups have criticised the increased military involvement because they fear it may lead to abuses of power, human rights violations and impunity from consequences for actions. The government has said the bill requires officers to resign from the military before assuming civilian posts at departments such as the Attorney’s General Office. There were concerns that officers could be allowed to join state-owned businesses but that aspect of the law was not revised, lawmaker Nico Siahaan, who was involved in talks on the legislation, told Reuters. (Reuters)

Corporate News

BBTN: Confirm Bond Issuance Plan Worth USD 400 Million This Month

PT Bank Tabungan Negara Tbk (BBTN) opened its voice regarding the news of the cancellation of the plan to issue Social Global Bonds with a value of US\$ 400 million. The news emerged when the stock market situation also spread to other financial sectors. When confirmed, BTN President Director Nixon L.P. Napitupulu emphasized that he would not cancel the bond issuance plan. He only revealed that the issuance plan is waiting for the right time. He confirmed that the bond issuance plan will still happen this month. Nixon said that his party is currently waiting for the right time so that the price obtained is the best. “I want to enter to see the right date for the best market price,” he told KONTAN, Wednesday (3/19). On the other hand, Nixon also emphasized that there are already several investors who are interested in the bonds. He mentioned several big names such as Blackrock and Fidelity as potential investors. “But we still see the best pricing first, when us treasury yields the best,” he added. For information, BTN’s goal of releasing social bonds or BTN Social Notes is that the proceeds will be used to distribute home ownership loans (KPR) for low-income people (MBR). (Kontan)

Recommendation

US10YT rose 1.17% to 4.320%. The American benchmark bond yield reversed from its previous uptrend to a downtrend as Trump continued his tariff and trade war policies against major world countries despite economists suggesting the country is likely to enter a recession by the end of 2025.

ID10YT rose 0.37% to 6.981% which is the nearest dynamic resistance of MA200 (red). Most investors are worried about the implications of Danantara’s Sovereign Wealth Fund launch.

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

NH Korindo Sekuritas Indonesia

PRICE OF BENCHMARK SERIES

FR0090 : 97.349 (+0.00%)

FR0091 : 97.217 (-0.27%)

FR0092 : 99.785 (-0.41%)

FR0094 : 97.061 (+0.01%)

FR0086 : 99.107 (+0.00%)

FR0087 : 98.269 (-0.26%)

FR0083 : 103.247 (-0.25%)

FR0088 : 94.409 (-0.25%)

CDS of Indonesia Bonds

CDS 2yr: -1.10% to 39.89

CDS 5yr: -1.70% to 83.89

CDS 10yr: -0.87% to 133.93

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.10%	0.07%
USDIDR	16.525	0.61%
KRWIDR	11.30	-0.19%

Global Indices

Index	Last	Chg.	%
Dow Jones	41.953.32	(11.31)	-0.03%
S&P 500	5.662.89	(12.40)	-0.22%
FTSE 100	8.701.99	(4.67)	-0.05%
DAX	22.999.15	(288.91)	-1.24%
Nikkei	37.751.88	(93.54)	-0.25%
Hang Seng	24.219.95	(551.19)	-2.23%
Shanghai	3.408.95	(17.48)	-0.51%
Kospi	2.637.10	8.48	0.32%
EIDO	15.95	0.21	1.33%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	3.044.9	(2.9)	-0.09%
Crude Oil (\$/bbl)	68.07	1.16	1.73%
Coal (\$/ton)	97.75	0.25	0.26%
Nickel LME (\$/MT)	16.284	(115.0)	-0.70%
Tin LME (\$/MT)	35.350	354.0	1.01%
CPO (MYR/Ton)	4.413	24.0	0.55%

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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