

Morning Briefing

Daily | March 26, 2025

Today's Outlook:

US MARKET: Investors largely looked past the March consumer confidence data released Tuesday, which reflected a significant drop in U.S. consumers' near-term outlook on income, business, and job conditions.

FIXED INCOME AND CURRENCY : The benchmark 10-year Treasury note yield, after being slightly higher earlier, declined by 1.4 basis points to **4.317%**. At the same time, the 2-year Treasury yield added to its losses, off 2 basis points at 4.017%. One basis point is equivalent to 0.01%. Yields and prices have an inverse relationship. U.S. Treasury yields moved lower Tuesday following another dip in consumer confidence that showed optimism on the future hit its lowest in more than a decade. The Conference Board reported Tuesday that its expectations index plunged 9.6 points to a reading of 65.2, the worst level in 12 years and well below the 80 threshold consistent with recessions. The dollar weakened against the euro and yen on Tuesday as uncertainty around President Donald Trump's planned tariffs kept traders cautious, following a rally in the U.S. currency a day earlier on optimism that he will be flexible in applying the import levies. The euro was last up 0.1% on the day at \$1.08. It earlier fell to \$1.0774, the lowest level since March 6. The euro, meanwhile, was boosted earlier by a survey showing that German business morale rose in March as companies expect a recovery after two years of contraction in Europe's largest economy. The dollar fell 0.5% to 149.91 Japanese yen. It earlier reached a three-week high of 150.94. Sterling edged up 0.21% to \$1.2946 as traders looked towards the release of the spring statement on Wednesday in which British finance minister Rachel Reeves is expected to cut government spending to meet fiscal rules.

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-The Indonesian rupiah depreciated 0.45% against the U.S. dollar to 16,625 at 11.36 a.m. Singapore time on Tuesday, after falling to its lowest level since June 1998. This comes after Bank Indonesia held the 7-day reverse repurchase rate at 5.75% in its meeting last week. Elsewhere in Asia, the Korean won was down 0.17% to 1,469.65 against the dollar while the Chinese yuan lost 0.11% against the dollar to 7.2613.

COMMODITIES : Spot gold was up 0.3% at \$3,020.06 an ounce. U.S. gold futures settled 0.3% higher at \$3,025.90. Gold prices rose on Tuesday, supported by safe-haven demand amid uncertainty over U.S. President Donald Trump's tariff plans for next week that could potentially boost inflation. Investors now await the U.S. Personal Consumption Expenditures data, due on Friday, for hints on further Fed's policy moves. Brent crude futures rose 3 cents to close at \$73.02 a barrel. U.S. West Texas Intermediate crude fell 16 cents to settle at \$69 per barrel. Oil prices were little changed on Tuesday after Ukraine's President Volodymyr Zelenskyy agreed to a truce with Russia covering the Black Sea and energy infrastructure, though crude prices drew support from the prospect of tighter global supply due to threatened U.S. tariffs on countries buying Venezuelan production.

Global News

Trump to Impose 25% Tariff on Countries Buying Venezuela's Oil and Gas

US President Donald Trump issued an order imposing a 25% import tariff on any country buying oil and gas from Venezuela. This policy escalates his dispute with the Latin American country over immigration in a move that risks shaking up global energy trade. Launching Bloomberg on Tuesday (3/25/2025), the move aims to cut the main source of income for the Nicolás Maduro regime in Caracas. This policy also aims to put further pressure on China, which is a major buyer of Venezuelan crude oil and is already subject to a 20% tariff under Trump. Meanwhile, the US is also a major buyer of Venezuelan oil, and Texas-headquartered Chevron Corp. is a major producer. Trump's executive order authorizes the State Department to issue a 25% tariff, in addition to any other tariffs already in place or threatened, on all goods imported into the US "from any country that imports Venezuelan oil, either directly from Venezuela or indirectly through a third party." However, the order as written may also give Secretary of State Marco Rubio flexibility in determining which countries will be subject to the tariffs, and which will not. It states that he has the authority "to determine in his sole discretion whether tariffs" will be imposed on those importing countries. The order takes effect on April 2, the same day that the Trump administration is expected to announce a broader set of levies targeting several countries, adding another layer to the overlapping duties that have rattled trading partners and risk stalling the global economy. (Bisnis)

Corporate News

Oto Multiartha: Will Release Rp 800 Billion Bonds

PT Oto Multiartha has released another bond. This time, the bond issuer coded OTMA will issue sustainable bonds I phase III in 2025 worth IDR 800 billion. This bond issuance is a series of sustainable bonds released in June 2023, with a target of IDR 3 trillion. Oto Multiartha's management, in a brief prospectus, explained that the bonds issued in phase III were released in three series. Series A offered Rp 438.3 billion with a maturity of 370 days and an interest rate of 6.4%. Series B is worth IDR 29.5 billion with a tenor of 36 months and offers an interest rate of 6.8%. Series C has an emission value of Rp 332.2 billion, with 7% interest and a 60-month tenor. The public offering of these bonds was carried out on March 25. While the bond listing is scheduled for April 8, 2025. In total, in the past two years, Oto Multiartha has released sustainable bonds I with a value of Rp 2 trillion. The company still has a remaining ceiling of Rp 1 trillion until the first semester of this year. (Kontan)

Recommendation

US10YT rose to 4.323%. The yield on the US benchmark bond has now started to move relatively sideways due to the possibility of Trump relaxing and flexing his tariff and trade war policies against major world countries, although economists have shown that the country is likely to enter a recession by the end of 2025.

ID10YT is currently trying to test and hold on to the 7.2% area. Most investors are concerned about the implications of the launch of the Danantara Sovereign Wealth Fund and the fairly volatile socio-political conditions, coupled with the Rupiah exchange rate continuing to weaken. Apart from the 7.2% level being a resistance that could possibly be penetrated further, there is a chance for a correction (overbought RSI).

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

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	7.21%	0.02%
USDIDR	16.500	0.15%
KRWIDR	11.26	0.30%

Global Indices

Index	Last	Chg.	%
Dow Jones	42,587.50	4.18	0.01%
S&P 500	5,776.65	9.08	0.16%
FTSE 100	8,663.80	25.79	0.30%
DAX	23,109.79	257.13	1.13%
Nikkei	37,780.54	172.05	0.46%
Hang Seng	23,344.25	(561.31)	-2.35%
Shanghai	3,369.98	(0.05)	-0.00%
Kospi	2,615.81	(16.26)	-0.62%
EIDO	15.72	0.38	2.48%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	3,020.1	9.1	0.30%
Crude Oil (\$/bbl)	69.00	(0.11)	-0.16%
Coal (\$/ton)	96.40	(0.50)	-0.52%
Nickel LME (\$/MT)	16,161	148.0	0.92%
Tin LME (\$/MT)	35,053	699.0	2.03%
CPO (MYR/Ton)	4,245	(60.0)	-1.39%

Date	Country	Hour Jakarta	Event	Actual	Period	Consensus	Previous
Monday	US	20.45	S&P Global US Manufacturing PMI	-	Mar P	51.8	52.7
24 – March							
Tuesday	US	21.00	New Home Sales	-	Feb	680k	657k
25 – March	US	21.00	Conf. Board Consumer Confidence	-	Mar	94.0	98.3
Wednesday	US	18.00	MBA Mortgage Applications	-	Mar 21	-	-6.2%
26 – March	US	19.30	Durable Goods Orders	-	Feb P	-0.7%	-3.2%
Thursday	US	19.30	GDP Annualized QoQ	-	4Q T	2.4%	2.3%
27 – March	US	19.30	Wholesale Inventories MoM	-	Feb P	-	0.8%
	US	19.30	Initial Jobless Claims	-	Feb	-0.2%	-0.3%
Friday	US	19.30	Personal Income	-	Feb	0.4%	0.9%
28 – March	US	19.30	Personal Spending	-	Feb	0.6%	-0.2%
	US	21.00	U. of Mich. Sentiment	-	Mar F	-	57.9

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury

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Indonesia 10 Years Treasury

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