

DAILY UPDATE May 6, 2024

MACROECONOMIC NEWS

US Economy - U.S. job growth slowed more than expected in April and the increase in annual wages fell below 4.0% for the first time in nearly three years, but it is probably too early to expect that the Federal Reserve will start cutting interest rates before September as the labor market remains fairly tight. The Labor Department's closely watched employment report on Friday also showed the unemployment rate rising to 3.9% from 3.8% in March amid increasing labor supply. Nonetheless, the jobless rate remained below 4% for the 27th straight month. Data this week showed job openings declining in March.

US Economy - The U.S. services sector contracted in March, while a measure of prices paid by businesses for inputs jumped, a worrisome sign for the outlook on inflation. The Institute for Supply Management (ISM) said on Friday that its non-manufacturing PMI fell to 49.4 last month from 51.4 in March, the lowest reading since December 2022.

US Economy - This week, investors will hear from several Federal Reserve officials following a moderation in job growth last month, which eased concerns about sustained high rates for the remainder of the year. With a light economic calendar, focus will be on Fed policymakers speaking after the central bank acknowledged limited progress on inflation. Chair Jerome Powell remains optimistic about lower rates this year. Friday's consumer confidence data will offer insights into inflation expectations and the economic outlook, while the weekly report on initial jobless claims is due Thursday.

Oil Prices - Oil prices saw their largest weekly drop in three months, with Brent down over 7% and WTI falling 6.8%. Concerns among investors centered on the potential impact of sustained high borrowing costs on U.S. economic growth, given its status as the top global oil consumer. Geopolitical tensions related to the Israel-Hamas conflict have eased with talks of a temporary ceasefire and international mediation. Traders are monitoring whether these lower oil prices might prompt the U.S. government to replenish strategic reserves.

Equity Markets

	Closing	% Change
Dow Jones	38,676	1.18
NASDAQ	16,156	1.99
S&P 500	5,128	1.26
MSCI excl. Jap	673	0.92
Nikkei	38,236	-0.10
Shanghai Comp	3,105	-0.26
Hang Seng	18,476	1.48
STI	3,299	0.19
JCI	7,135	0.24
Indo ETF (IDX)	16	1.26
Indo ETF (EIDO)	21	1.95

Currency

	Closing	Last Trade
US\$ - IDR	16,083	16,083
US\$ - Yen	153.05	153.59
Euro - US\$	1.0761	1.0766
US\$ - SG\$	1.350	1.351

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	78.4	-0.8	-1.0
Oil Brent	83.3	-0.68	-0.8
Coal Newcastle	145.2	-2.85	-1.93
Nickel	19237	589	3.2
Tin	31983	1013	3.3
Gold	2308	1.5	0.1
CPO Rott	950	30	3.3
CPO Malay	3844	14	0.4

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	7.243	-0.02	-0.289
3 year	7.043	-0.094	-1.317
5 year	6.952	-0.01	-0.144
10 year	7.171	-0.013	-0.181
15 year	7.005	-0.129	-1.808
30 year	7.009	-0.09	-1.282

CORPORATE NEWS

GGRP - PT Gunung Raja Paksi, a major player in Indonesia's steel industry, received approval to sell shares to its subsidiary, PT Nusantara Baja Profil (NBP), during an EGMS on May 3rd, 2024. GGRP will sell 9 million shares to three strategic investors: Yamato Kogyo Co Ltd, Siam Yamato Steel Co Ltd, and PT Hanwa Indonesia. These steps are part of a strategy to further develop NBP's business capacity.

TGUK - PT Platinum Wahab Nusantara and Singaporean ice cream producer Aice have formed a strategic partnership through an MoU. This collaboration aims to boost double-digit sales growth for TGUK in 2024. Aice will invest in Mogrim and Esgrim Island projects under the MoU, focusing on modern tricycle ice cream sales and mini outlets in public areas. TGUK's distribution expansion strategy supports Aice's market expansion plans in Indonesia.

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