

DAILY UPDATE October 15, 2024

MACROECONOMIC NEWS

US Market - Morgan Stanley strategists have upgraded cyclical stocks over defensives, supported by resilient US economic data and rising interest rates. The firm highlights that quality cyclicals are benefiting from positive correlations with yields, while defensives show negative correlations. Stabilization in the economic surprise index is expected to further boost cyclical stocks, especially in sectors like financials, which Morgan Stanley recently upgraded to overweight due to improving capital markets and favorable loan growth projections for 2025. As the US election nears, they emphasize that the business cycle is more crucial than election outcomes, with a preference for quality assets during election years.

Oil Price - Oil prices dropped 2% as OPEC lowered its global demand growth forecast for 2024 and 2025, driven by concerns over China's declining oil imports for the fifth consecutive month. Brent crude fell \$1.58 to \$77.46 per barrel, while U.S. WTI dropped \$1.73 to \$73.83 per barrel. China's economic struggles, including slowing growth and rising deflation, weighed heavily on global demand. Meanwhile, geopolitical tensions in the Middle East, particularly the potential for Israeli strikes on Iranian targets, added market uncertainty. The U.S. dollar's strength and expectations of rising crude stockpiles also contributed to the decline.

Asian Market - Most Asian stocks edged higher on Monday, while Chinese markets saw volatility as Beijing's vague fiscal stimulus plans and weak inflation data dampened enthusiasm. Trading was light due to a market holiday in Japan. Chinese indexes initially surged but later pared gains, with concerns over rising government debt and lack of clarity on stimulus measures. Hong Kong's Hang Seng fell over 2%. Broader Asian markets gained, following Wall Street's record highs driven by positive bank earnings. Australia's ASX 200 and South Korea's KOSPI rose 0.4%, while India's Nifty 50 pointed to a weaker open amid rising inflation concerns.

Equity Markets

	Closing	% Change
Dow Jones	43,065	0.47
NASDAQ	18,503	0.87
S&P 500	5,860	0.77
MSCI excl. Jap	757	-0.03
Nikkei	40,012	1.03
Shanghai Comp	3,284	2.07
Hang Seng	21,093	-0.75
STI	3,617	0.58
JCI	7,560	0.52
Indo ETF (IDX)	17	0.69
Indo ETF (EIDO)	22	0.27

Currency

	Closing	Last Trade
US\$ - IDR	15,566	15,566
US\$ - Yen	149.76	149.55
Euro - US\$	1.0909	1.0906
US\$ - SG\$	1.309	1.308

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	71.8	-2.5	-3.3
Oil Brent	75.4	-2.31	-3.0
Coal Newcastle	148.2	1.5	1.02
Nickel	17670	-194	-1.1
Tin	32445	-767	-2.3
Gold	2648	1.5	0.1
CPO Rott	975		
CPO Malay	4277	-73	-1.7

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.434	-0.02	-0.279
3 year	6.443	-0.002	-0.031
5 year	6.423	0.003	0.047
10 year	6.68	-0.001	-0.015
15 year	6.805	-0.001	-0.015
30 year	6.929	0.00	0.014

CORPORATE NEWS

HATM - PT Habco Trans Maritima has purchased a new bulk carrier vessel for USD 13.8 million (IDR 226 billion) from Seacon Peru Ltd, financed through loans and internal funds. This acquisition addresses the company's limited fleet capacity, enabling it to meet customer demand. The transaction, classified as material under OJK regulations, is valued at 24% of the company's equity but does not require shareholder approval. HATM also terminated a time-charter agreement with PT Cakra Buana Resources Energi (CBRE) due to ongoing issues with the chartered vessel, MV Majestic Laksono, which became inoperable due to damages. This decision was made to prevent further financial losses.

JRPT - PT Jaya Real Property has utilized around 75% of its 2024 capital expenditure budget, which was set at IDR 400-500 billion. The funds have been used for the development of company-owned areas, including infrastructure projects, with a focus on the Bintaro Jaya area. Additionally, JRPT, through its subsidiary PT Deltacendana Citrapersada, is developing a new district called Royal Batavia, a premium residential project covering 112 hectares, as part of the broader Bintaro Jaya development.

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