

## DAILY UPDATE October 28, 2024

### MACROECONOMIC NEWS

**US Economy** - This week promises high market activity with U.S. jobs and GDP data releases alongside major tech earnings, amid heightened volatility due to the approaching U.S. presidential election and the upcoming Federal Reserve meeting. The Friday employment report is anticipated to reveal a slowdown in job growth to 111,000, influenced by strikes and hurricane disruptions, while the unemployment rate likely remains at 4.1%. The Fed, expected to reduce interest rates by 25bps in November, will assess key indicators including Tuesday's JOLTS data, initial jobless claims, Q3 GDP, and core PCE inflation. Economists predict a steady 3% annual economic growth rate, with additional insights coming from consumer confidence, business sentiment, pending home sales, and October's ISM manufacturing index. The Fed enters a communications blackout ahead of its Nov. 7th policy decision.

**US Market** - Five of the "Magnificent Seven" tech giants that have significantly driven recent market gains are set to report earnings this week, starting with Alphabet on Tuesday, followed by Microsoft and Meta on Wednesday, and Apple and Amazon on Thursday. These companies, which represent 23% of the S&P 500's weight, hold substantial market influence, meaning their results could impact broader index movements. Tesla, the first of the group to report, saw shares rise last week after CEO Elon Musk projected 20-30% growth in vehicle sales next year. While these tech firms have outpaced the S&P 500 in profit growth, this advantage may narrow in the coming quarters.

**US Election** - In the last full trading week before the U.S. presidential election on Nov. 5th and the Fed's monetary policy decision on Nov. 7th, investors are expected to remain cautious. Polls show a tight race between Republican Donald Trump and Democrat Kamala Harris, though Trump has recently gained ground and holds a slight edge in prediction markets. UBS Global Wealth Management analysts warn that market volatility will likely persist as the election date approaches, keeping sentiment vulnerable.

### Equity Markets

|                 | Closing | % Change |
|-----------------|---------|----------|
| Dow Jones       | 42,114  | -0.61    |
| NASDAQ          | 18,519  | 0.56     |
| S&P 500         | 5,808   | -0.03    |
| MSCI excl. Jap  | 739     | 0.04     |
| Nikkei          | 38,571  | 1.73     |
| Shanghai Comp   | 3,300   | 0.59     |
| Hang Seng       | 20,590  | 0.49     |
| STI             | 3,595   | 0.04     |
| JCI             | 7,695   | -0.28    |
| Indo ETF (IDX)  | 18      | -0.79    |
| Indo ETF (EIDO) | 22      | -1.13    |

### Currency

|             | Closing | Last Trade |
|-------------|---------|------------|
| US\$ - IDR  | 15,647  | 15,647     |
| US\$ - Yen  | 152.31  | 153.57     |
| Euro - US\$ | 1.0796  | 1.0794     |
| US\$ - SG\$ | 1.321   | 1.324      |

### Commodities

|                | Last  | Price Chg | %Chg |
|----------------|-------|-----------|------|
| Oil NYMEX      | 68.4  | -2.1      | -3.0 |
| Oil Brent      | 72.5  | -2.09     | -2.8 |
| Coal Newcastle | 145.9 | 0.4       | 0.27 |
| Nickel         | 16167 | -128      | -0.8 |
| Tin            | 31325 | 190       | 0.6  |
| Gold           | 2727  | -7.0      | -0.3 |
| CPO Rott       | 1200  | 225       | 23.1 |
| CPO Malay      | 4536  | -53       | -1.2 |

### Indo Gov. Bond yields

|         | Last  | Yield Chg | %Chg  |
|---------|-------|-----------|-------|
| 1 year  | 6.489 | 0.01      | 0.216 |
| 3 year  | 6.452 | 0.006     | 0.093 |
| 5 year  | 6.602 | 0.025     | 0.38  |
| 10 year | 6.767 | 0.016     | 0.237 |
| 15 year | 6.928 | 0.005     | 0.072 |
| 30 year | 6.96  | 0.00      | 0     |

## MACROECONOMIC NEWS

**Oil Price** - Oil prices are expected to decline on Monday, as Israel's weekend strike on Iran avoided Tehran's oil and nuclear facilities, leaving energy supplies unaffected. Last week, Brent and U.S. WTI crude futures rose 4% amid uncertainty over Israel's response to Iran's October 1 missile attack and the upcoming U.S. election. Iran minimized the impact of Israel's airstrike, noting only limited damage. Meanwhile, energy traders await details on China's stimulus policies, though analysts do not anticipate these measures will significantly boost oil demand.

## CORPORATE NEWS

**MTEL** - PT Dayamitra Telekomunikasi announced the launch of Phase III of its MESOP program, offering 33 million shares for conversion at IDR 582/share. Previously, Phase II provided options for 20 million shares at IDR 636/share, and Phase I offered 20 million shares at IDR 720/share. This phase will run from November 1st to December 12th, 2024, with unexercised options available in future periods.

**KDSI** - PT Kedawung Setia Industrial held an EGMS that approved a 1:4 stock split, lowering the nominal share value from IDR 500 to IDR 125. The implementation date has not yet been announced.

**TRGU** - PT Cerestar Indonesia is expanding its wheat storage by 45%, raising silo capacity in Gresik, East Java, to 203,000 MT/year. In Q3, subsidiary PT Harvestar Flour Mills also increased flour production by 600 MT/day, reaching a total of 2,200 MT/day. With strong demand for wheat products in Indonesia, TRGU anticipates growth in both human and animal feed sectors, supported by favorable government initiatives. The company is focusing on product diversification to sustain this growth.

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