

DAILY UPDATE February 12, 2025

MACROECONOMIC NEWS

US Economy – Fed Chair Jerome Powell told the Senate Banking Committee that there is no urgency to cut interest rates as policy is already less restrictive and the economy remains strong. His remarks, consistent with previous Fed statements, led to a rise in Treasury yields as expectations for a March rate cut diminished. Powell will testify before Congress on Wednesday, where he is expected to address questions on Trump-era policies. Meanwhile, an upcoming inflation report is anticipated to show easing headline inflation but a rise in core inflation, with December's CPI at 2.9% YoY, still above the Fed's 2% target.

US Tariff Policy - President Trump signed executive orders imposing 25% tariffs on steel and aluminum imports with no exceptions, revoking quota-based exemptions for Canada, Mexico, and Brazil. He warned of potential higher metal tariffs and new duties on cars, chips, and pharmaceuticals, aiming to match foreign import tariffs on US goods. Investors are now watching for possible reciprocal tariffs amid rising trade tension concerns.

US Market - The S&P 500 closed slightly higher Tuesday, with gains limited after Fed Chair Powell signaled no urgency for rate cuts amid inflation concerns tied to Trump's tariffs. The Dow rose 0.3%, the S&P 500 gained 0.1%, and the NASDAQ slipped 0.4%. Earnings season is over halfway through, with S&P 500 firms posting 14.8% income growth. Coca-Cola surged 5% on strong Q4 earnings, while Shopify rose 3% on better-than-expected sales despite a weak Q1 outlook. Marriott fell over 5% on a disappointing 2025 profit forecast, while WK Kellogg gained 4% on strong earnings and cost-cutting efforts.

CORPORATE NEWS

NISP - PT Bank OCBC NISP plans an IDR 800 million share buyback for up to 390,000 shares, pending investor approval on March 20th, 2025. The buyback, set at an average price of IDR 2,051/share, +56% above the Feb 11th closing price of IDR 1,310/share—will be executed within 12 months post-approval. The move aims to provide variable remuneration for 2024 performance. The bank assures that the buyback will not impact operations, as it has sufficient capital and cash flow to fund the transaction.

Equity Markets

	Closing	% Change
Dow Jones	44,594	0.28
NASDAQ	19,644	-0.36
S&P 500	6,069	0.03
MSCI excl. Jap	714	-0.52
Nikkei	38,892	0.24
Shanghai Comp	3,313	-0.15
Hang Seng	21,441	0.68
STI	3,872	0.29
JCI	6,532	-1.75
Indo ETF (IDX)	13	-1.40
Indo ETF (EIDO)	17	-1.14

Currency

	Closing	Last Trade
US\$ - IDR	16,384	16,384
US\$ - Yen	152.49	153.44
Euro - US\$	1.0361	1.0360
US\$ - SG\$	1.353	1.354

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	72.4	1.0	1.3
Oil Brent	76.0	0.89	1.2
Coal Newcastle	105.7	-1.6	-1.49
Nickel	15522	-234	-1.49
Tin	31145	36	0.1
Gold	2930	61.9	2.2
CPO Rott	1295		
CPO Malay	4593	89	2.0

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.684	0.01	0.075
3 year	6.608	0.001	0.015
5 year	6.615	0	0
10 year	6.821	-0.001	-0.015
15 year	6.945	0.001	0.014
30 year	7.048	0.00	-0.014

CORPORATE NEWS

BBRI - PT Bank Rakyat Indonesia has IDR 1.84 trillion in upcoming debt maturities, consisting of IDR 605 billion in sustainable bonds due on Feb 21st, 2025, and IDR 1.23 trillion in green bonds maturing on Mar 30th, 2025, both rated idAAA by Pefindo. BBRI plans to repay these using internal funds, with cash reserves of IDR 200 trillion as of Sep 2024. By Q3 2024, BBRI posted a consolidated net profit of IDR 45 trillion and disbursed IDR 1,353 trillion in loans (+8.21% YoY), with 81% allocated to MSMEs. Total assets grew 5.94% YoY to IDR 1,961 trillion, while NPL improved to 2.90% from 3.07% a year earlier.

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