

DAILY UPDATE October 18, 2024

MACROECONOMIC NEWS

US Economy - Retail sales rose 0.4% in September, beating economists' expectations of 0.3% and up from 0.1% in August, driven by strong spending on groceries and clothing, despite weaker sales in higher-priced items like furniture and electronics. Jefferies noted that while some areas showed weakness, consumers remain generally resilient. Meanwhile, jobless claims dropped to 241,000 from 260,000, aligning with forecasts.

US Market - The S&P 500 closed slightly lower, down 0.01%, after giving up gains fueled by better-than-expected retail sales and a 9% surge in Taiwan Semiconductor Manufacturing (TSMC) following strong Q3 results and an optimistic outlook. TSMC's advanced 3-nanometer chips, which contributed 20% to its revenue, bolstered sales. The upbeat forecast lifted AI-related stocks like NVIDIA, AMD, and Dell. Meanwhile, Netflix, Blackstone, and Intuitive Surgical are set to report earnings soon. Additionally, Expedia rose 4% on reports of Uber's interest, while Lucid fell 18% due to a planned stock sale.

Oil Price - Bank of America (BofA) forecasts more downside than upside for oil prices, expecting Brent to settle around \$70/barrel. BofA cites OPEC's spare capacity and non-OPEC production growth as key factors limiting price increases. OPEC could bring 2 million barrels per day back to the market, while non-OPEC supply is expected to grow by 1.6 million barrels. With global demand projected to rise by only 1 million barrels/day next year, BofA sees limited upside for oil prices. The bank prefers gas-linked stocks like Cheniere Energy, anticipating strong cash flow growth by 2025.

CORPORATE NEWS

INRU - PT Toba Pulp Lestari announced a temporary halt in pulp mill operations from October 17th to November 1st, 2024, due to reduced wood supply from some of its operational areas. The disruption is caused by land claims from local communities within the company's operational regions. This shutdown will result in lost production during the period, impacting both operational activities and financial performance due to the reduced revenue from halted production.

Equity Markets

	Closing	% Change
Dow Jones	43,239	0.37
NASDAQ	18,374	0.04
S&P 500	5,841	-0.02
MSCI excl. Jap	738	-0.76
Nikkei	38,992	0.21
Shanghai Comp	3,166	-0.11
Hang Seng	20,107	0.14
STI	3,628	0.08
JCI	7,735	1.13
Indo ETF (IDX)	18	1.52
Indo ETF (EIDO)	22	1.26

Currency

	Closing	Last Trade
US\$ - IDR	15,507	15,507
US\$ - Yen	150.21	149.98
Euro - US\$	1.0831	1.0832
US\$ - SG\$	1.3143	1.3142

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	70.88	0.0	0.1
Oil Brent	74.61	0.0	0.0
Coal Newcastle	145.75	-0.2	-0.1
Nickel	17,005	-274.0	-1.6
Tin	31,218	-932.0	-2.9
Gold	2,704	24.3	0.9
CPO Rott	975	-	-
CPO Malay	4,292	5.0	0.1

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.320	-0.06	-0.93
3 year	6.430	-0.01	-0.19
5 year	6.429	0.01	0.22
10 year	6.670	0.01	0.09
15 year	6.816	0.00	0.04
30 year	6.946	0.00	0.04

CORPORATE NEWS

INOV - PT Inocycle Technology Group is optimistic about tapping into the economic potential of the recycling industry, which is estimated to attract IDR 5.15 trillion in investments. With China's closure of recycling plants, there is also significant export potential. INOV operates washing facilities across multiple cities and produces Recycled Polyester Staple Fiber (Re-PSF) in four cities, including its newest plant in Medan with a 6,000 MT/year capacity. With a total production capacity exceeding 40,000 MT/year, INOV is well-positioned to capitalize on the growing recycling market.

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