

DAILY UPDATE October 22, 2024

MACROECONOMIC NEWS

US Economy - The S&P 500 closed lower on Monday as rising Treasury yields, influenced by cautious comments from Federal Reserve officials, impacted market sentiment. The 2-year Treasury yield rose 7 basis points to 4.025%, and the 10-year yield surpassed 4%, signaling investor caution over the pace of future rate cuts. Minneapolis Fed President Neel Kashkari expects modest rate cuts in the coming quarters. This week's U.S. economic calendar is light, featuring housing reports, durable goods orders, and consumer sentiment, with the Fed's Beige Book due Wednesday. Several regional Fed officials, including Kashkari, will also provide updates.

US Market - Goldman Sachs predicts that the era of strong gains for the S&P 500 is over, forecasting a nominal annualized return of just 3% over the next decade, significantly lower than the 13% seen in the past 10 years. Adjusted for inflation, the real return is expected to be around 1%. One key factor is the high market concentration, with the top 10 stocks accounting for over a third of the index's market capitalization. Goldman suggests that this concentration will likely cause the equal-weight S&P 500 to outperform the cap-weighted index. The bank also highlights a 72% chance that equities will underperform bonds over the next decade, with a 33% likelihood that returns will fall below inflation.

CORPORATE NEWS

NCKL - PT Trimegah Bangun Persada (Harita Nickel) targets 2024 production of 120,000 tons of nickel content in ferronickel from its two rotary kiln electric furnace (RKEF) smelters, Megah Surya Pertiwi (MSP) and Halmahera Jaya Feronikel (HJF). Harita Nickel, an integrated nickel mining and processing company based in Obi Island, North Maluku, operates two nickel mines, TBP and PT Gane Tambang Sentosa (GTS), which supply ore to the RKEF smelters and the High Pressure Acid Leaching (HPAL) refinery. NCKL also aims to produce 80,000-85,000 tons of nickel in Mixed Hydroxide Precipitate (MHP) this year. Additionally, NCKL can convert MHP into Nickel Sulfate and Cobalt Sulfate. Both its HPAL refinery and ONC facility have combined annual production capacities of 120,000 tons of nickel in MHP.

Equity Markets

	Closing	% Change
Dow Jones	42,932	-0.80
NASDAQ	18,540	0.27
S&P 500	5,854	-0.18
MSCI excl. Jap	748	-0.65
Nikkei	38,531	-1.09
Shanghai Comp	3,268	0.20
Hang Seng	20,479	-1.57
STI	3,597	-0.49
JCI	7,773	0.16
Indo ETF (IDX)	18	-0.61
Indo ETF (EIDO)	22	-0.40

Currency

	Closing	Last Trade
US\$ - IDR	15,504	15,504
US\$ - Yen	150.84	150.58
Euro - US\$	1.0815	1.0818
US\$ - SG\$	1.316	1.316

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	70.3	1.0	1.4
Oil Brent	73.9	0.77	1.1
Coal Newcastle	145.6	0.2	0.14
Nickel	16705	-192	-1.1
Tin	31016	-297	-0.9
Gold	2727	1.2	0.0
CPO Rott	975		
CPO Malay	4302	47	1.1

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.439	-0.01	-0.109
3 year	6.409	-0.024	-0.373
5 year	6.426	0.013	0.203
10 year	6.638	-0.001	-0.015
15 year	6.838	-0.002	-0.029
30 year	6.946	0.00	-0.029

CORPORATE NEWS

AMOR - PT Ashmore Asset Management Indonesia will distribute a final dividend of IDR 27/share, totaling IDR 60 billion, as approved in the EGMS on October 17th, 2024. According to AMOR's management, this is part of the total cash dividend for the FY2023, amounting to IDR 46/share. Earlier, an interim dividend of IDR 18/share was distributed on February 23rd, 2024. AMOR posted a net profit of IDR 106 billion in 2023, with the remaining profit allocated as retained earnings to strengthen the company's future capital.

VKTR - PT VKTR Teknologi Mobilitas has secured a lease financing of IDR 88 billion for its subsidiary, Sarana Ekomobilitas Indonesia (SEI), from Mitsubishi HC Capital and Finance Indonesia (MHCI). The financing comes with an annual interest rate of 12.35% and a 36-month term. PT Bakrie & Brothers Tbk (BNBR), the parent company, guarantees the financing, which will be used for SEI's business activities, including investment, rehabilitation, modernization, and expansion. This financial support aims to improve operational efficiency and promote the company's growth.

Disclaimer

The analyst(s) whose work appears in this report certifies that his or her remuneration is not correlated to his or her judgment(s) on the performance of the company(ies).

The information and/or opinions contained in this report has been assembled by Panin Asset Management from sources which we deem to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. This report may not be reproduced, distributed or published by any recipient for any purpose. Any recommendations contained herein are based on a consideration of the securities alone, and as such are conditional and must not be relied upon as a solitary basis for investment decisions. Under no circumstances is this report to be used or considered as an offer to sell, or a solicitation of an offer buy.

All opinions and estimates herein reflect the author's judgment on the date of this report and are subject to change without notice. Panin Asset Management, its related companies, their officers, employees, representatives and agents expressly advise that they shall not be liable in any way whatsoever for any loss or damage, whether direct, indirect, consequential or otherwise howsoever arising (whether in negligence or otherwise) out of or in connection with the contents of and/or any omissions from this communication.

Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should make their own independent assessment and seek professional financial advice before they make their investment decisions.

Due to its nature as an asset management firm, it is very much possible that Panin Asset Management and/or persons connected with it may, to the extent permitted by law, have long or short positions or may otherwise be interested in any transactions or investments (including derivatives) referred to in this publication. In addition, Panin Asset Management and/or its parent, Panin Sekuritas, and/or its affiliated companies may provide services for or solicit business from any company referred to in this publication.

The analyst(s) named in this report certifies that all of the views expressed by the analyst(s) in this report reflect the personal views of the analyst(s) with regard to any and all of the content of this report relating to the subject securities and issuers covered by the analyst(s) and no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst(s) in this report.

WE STRONGLY ADVISE INVESTORS TO CONSULT THEIR FINANCIAL ADVISOR BEFORE MAKING THEIR INVESTMENT DECISION. ALL INVESTMENT OPPORTUNITIES PRESENT SOME SORT OF RISK. INVESTORS SHOULD ASSESS THEIR RISK SENSITIVITY IN ORDER TO DETERMINE SUITABILITY OF AN INVESTMENT OPPORTUNITY ACCORDING TO THEIR RISK PROFILE.