

DAILY UPDATE October 24, 2024

MACROECONOMIC NEWS

US Economy - Treasury yields rose on Wednesday as investors anticipated remarks from Fed officials, likely warning against expectations of a deep rate-cutting cycle despite recent signs of economic strength. The main economic release was September's existing home sales, while FOMC member Michelle Bowman was set to speak on future monetary policy, given softer expectations of Fed easing. Attention is also shifting to the U.S. presidential election, with markets increasingly favoring Republican Donald Trump over Democratic candidate Kamala Harris, though a Reuters/Ipsos poll showed Harris slightly ahead at 46% to 43%, indicating a potentially tight and volatile race.

US Election - Piper Sandler analysts have revised their election forecasts, giving Donald Trump a slight edge in the presidential race, raising his chances from 50% to 55% and increasing the likelihood of a Republican sweep. Despite a tight race, polls have shifted slightly in Trump's favor, with odds of a GOP takeover of the House also rising to 55%. Piper Sandler now views a Republican sweep as the most likely outcome (45%) and a Democratic sweep as a long shot (10%). Meanwhile, early voting has seen record turnout, and both Trump and Kamala Harris continue campaigning in key battleground states like Pennsylvania and Georgia, where Harris holds a narrow lead in polls.

Asian Market - Asian stocks were mostly muted on Wednesday as rising U.S. Treasury yields and election uncertainty kept investors cautious. Hong Kong's Hang Seng index stood out, rallying 1.7% due to strong IPO activity, led by China Resources Beverage, which surged 14% on its debut after raising \$540 million. Chinese stocks extended gains, supported by recent stimulus measures and a larger-than-expected interest rate cut from the People's Bank of China. Broader Asian markets, including Japan, were mostly flat, with Tokyo Metro surging 36% following a successful IPO. U.S. stock index futures also drifted lower.

Equity Markets

	Closing	% Change
Dow Jones	42,515	-0.96
NASDAQ	18,277	-1.60
S&P 500	5,797	-0.92
MSCI excl. Jap	745	0.20
Nikkei	38,286	0.48
Shanghai Comp	3,303	0.52
Hang Seng	20,760	1.27
STI	3,615	0.39
JCI	7,788	-0.02
Indo ETF (IDX)	18	-0.56
Indo ETF (EIDO)	22	-0.63

Currency

	Closing	Last Trade
US\$ - IDR	15,627	15,627
US\$ - Yen	152.76	152.66
Euro - US\$	1.0782	1.0783
US\$ - SG\$	1.323	1.322

Commodities

	Last	Price Chg	%Chg
Oil NYMEX	71.5	0.1	0.2
Oil Brent	75.7	-0.03	0.0
Coal Newcastle	145.3	0.55	0.38
Nickel	16308	-8	0.0
Tin	30906	-1	0.0
Gold	2725	-14.5	-0.5
CPO Rott	975		
CPO Malay	4475	12	0.3

Indo Gov. Bond yields

	Last	Yield Chg	%Chg
1 year	6.454	-0.03	-0.432
3 year	6.431	-0.025	-0.387
5 year	6.593	0.001	0.015
10 year	6.803	0.014	0.206
15 year	6.984	0.003	0.043
30 year	6.987	0.00	0.014

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Gold Price - Gold retreated after reaching record highs as the U.S. dollar strengthened. Safe-haven demand for gold has been supported by concerns over the U.S. election and geopolitical tensions in the Middle East and Europe. Despite rising 33% this year, gold was down 1.19% at \$2,715.62 an ounce, while U.S. gold futures fell 0.1% to \$2,741.50 an ounce, after hitting a record high of \$2,758.37 earlier in the session.

CORPORATE NEWS

GMFI - PT Garuda Maintenance Facility Aero Asia postponed its EGMS, originally scheduled for October 24th, 2024, due to an additional request for information from the OJK. The meeting has been rescheduled to October 28th, 2024, with two main agenda items, including shareholder approval for a rights issue. PT. Garuda Indonesia (GIAA), which holds an 89% stake, plans to contribute assets such as hangars and supporting facilities, valued at IDR 418 billion. The rights issue will increase GMFI's fixed assets and working capital, while shareholders who don't participate could face up to a 29% ownership dilution.

JAWA - PT Jaya Agra Wattie plans to borrow IDR 1.25 trillion from its shareholder, PT Sarana Agro Investama (SAI), in an interest-free and unsecured affiliated loan. This move is expected to reduce JAWA's interest burden by 34% to 100%, compared to an 8.25% interest rate from external lenders. The loan amount exceeds 50% of JAWA's equity, classifying it as a material transaction under POJK regulations. JAWA has previously received loans from SAI, totaling IDR 2.25 trillion, with part of it converted into shares. The company will seek approval for this loan at an EGMS on November 29th, 2024.

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