

# Global Macro Strategy Morning Notes

Economic-Equity-Commodities-Currencies-Politics-Policies



Your Lifelong Investment Partner

Macro Strategy & Equity Analysis

16 October 2023

## Global Macro Strategy Indicators

| Stock Indexes                     | 10/13/2023 | Daily (%) | MTD (%) | YTD (%) |
|-----------------------------------|------------|-----------|---------|---------|
| US - Dow Jones                    | 33,670.3   | 0.1       | 0.5     | 1.6     |
| US - S&P 500                      | 4,327.8    | (0.5)     | 0.9     | 12.7    |
| US - NASDAQ                       | 13,407.2   | (1.2)     | 1.4     | 28.1    |
| US - Russell 2000                 | 1,719.7    | (0.8)     | (3.7)   | (2.4)   |
| Eurozone - STOXX 50               | 4,136.1    | (1.5)     | (0.9)   | 9.0     |
| UK - FTSE 100                     | 7,599.6    | (0.6)     | (0.1)   | 2.0     |
| Germany - DAX 30                  | 15,186.7   | (1.5)     | (1.3)   | 9.1     |
| France - CAC 40                   | 7,003.5    | (1.4)     | (1.8)   | 8.2     |
| Japan - Nikkei                    | 32,316.0   | (0.5)     | 1.4     | 23.8    |
| South Korea - KOSPI               | 2,456.2    | (1.0)     | (0.4)   | 9.8     |
| MSCI Emerging Markets             | 951.3      | (1.2)     | (0.2)   | (0.5)   |
| MSCI Asia Excluding Japan         | 607.3      | (1.4)     | 0.5     | (1.9)   |
| China - Hang Seng                 | 17,813.5   | (2.3)     | 0.0     | (9.9)   |
| China - CSI 300                   | 3,663.4    | (1.1)     | (0.7)   | (5.4)   |
| India - Sensex                    | 66,282.7   | (0.2)     | 0.7     | 8.9     |
| Indonesia - JCI/IDX               | 6,926.8    | (0.1)     | (0.2)   | 1.1     |
| Malaysia - FTSE KLCI              | 1,444.1    | 0.0       | 1.4     | (3.4)   |
| Thailand - Thai SET               | 1,450.8    | 0.0       | (1.4)   | (13.1)  |
| Philippines - PSEi                | 6,266.3    | 0.1       | (0.9)   | (4.6)   |
| IDX Subsectors                    | 10/13/2023 | Daily (%) | MTD (%) | YTD (%) |
| IDX Financials                    | 1387.3     | (0.8)     | (1.0)   | (1.9)   |
| IDX Basic Materials               | 1257.1     | (0.3)     | (3.5)   | 3.4     |
| IDX Energy                        | 2067.2     | 0.5       | (3.0)   | (9.3)   |
| IDX Consumer Non-Cyclicals        | 750.3      | 0.4       | (1.4)   | 4.7     |
| IDX Infrastructures               | 1071.4     | 4.2       | 17.8    | 23.3    |
| IDX Consumer Cyclicals            | 879.7      | (0.6)     | 1.5     | 3.4     |
| IDX Technology                    | 4102.2     | (2.9)     | (5.4)   | (20.5)  |
| IDX Properties & Real Estate      | 719.5      | (1.2)     | (0.2)   | 1.2     |
| IDX Healthcare                    | 1442.4     | (0.2)     | 0.9     | (7.8)   |
| IDX Industrials                   | 1145.9     | (0.1)     | (3.4)   | (2.4)   |
| IDX Transportations & Logistics   | 1782.4     | (0.7)     | (3.8)   | 7.2     |
| Commodities                       | 10/13/2023 | Daily (%) | MTD (%) | YTD (%) |
| Oil Brent (USD/bbl)               | 90.9       | 5.7       | (4.6)   | 5.8     |
| Oil WTI (USD/bbl)                 | 87.7       | 5.8       | (3.4)   | 9.3     |
| Coal Newcastle (USD/ton)          | 151        | 0.8       | (3.6)   | (61.3)  |
| US Soybean Oil (USD/lbs)          | 54.4       | 1.9       | (5.3)   | (14.8)  |
| CPO Malaysia (MYR/ton)            | 3,714      | 2.8       | 0.7     | (11.0)  |
| Gold NYMEX (USD/toz)              | 1,932      | 3.1       | 4.5     | 6.2     |
| Nickel LME (USD/ton)              | 18,377     | (1.0)     | (0.6)   | (38.5)  |
| Copper LME (USD/ton)              | 7,915      | (0.5)     | (3.9)   | (5.5)   |
| Wheat CBT (USD/bushel)            | 580        | 1.4       | 7.1     | (26.8)  |
| Corn CBT (USD/bushel)             | 493        | (0.6)     | 3.5     | (27.3)  |
| S&P-Goldman Sachs Commodity Index | 595.3      | 3.0       | (2.2)   | (2.4)   |
| Currencies & Fixed Income         | 12/31/2022 | Daily (%) | MTD (%) | YTD (%) |
| Dollar Index                      | 106.6      | 0.0       | 0.4     | 3.0     |
| USD/IDR                           | 15,683     | (0.0)     | 1.5     | 0.7     |
| USD/IDR 1 Month NDF               | 15,707     | (0.2)     | 1.4     | 1.1     |
| US Treasuries 10-Year (bp)        | 4.61       | (8.5)     | 4.1     | 73.8    |
| Indonesia INDOGB 10-Year (bp)     | 6.79       | 0.0       | (12.9)  | (15.5)  |
| ID CDS 5-Year                     | 95.7       | 2.0       | 3.0     | (3.9)   |

Source: Bloomberg, SSI Research

## Market focuses on CC's verdict and Hamas-Israeli war

- The Hamas-Israeli war might boost inflationary pressure, especially with energy and vegetable oil price surge on Friday
- Meanwhile, domestic market players are waiting for the Constitutional Court's verdict regarding the age limit for presidential and vice presidential candidates
- We recommend to overweight on energy, infra, telco, healthcare, staples, and tobacco as a defensive strategy to prepare for the upcoming uncertainty

The Hamas-Israeli war, which triggered a 'flight to safety' to safe haven instruments, including gold and US treasuries, and pushed up commodity prices, especially energy and vegetable oils, also sparked a sell-off on the global stock market. As a result, European stock indices went down by (-1.5%) on average, and stock indices in the United States, except Dow Jones, fell from (-0.5%) to (-1.2%). MSCI's emerging market and Asian (excluding Japan) stock indices also fell (-1.4%) and (-1.2%). Meanwhile, Brent and WTI crude oil prices went up by 5.7% and 5.8% respectively, followed by coal (0.8%), CPO (2.8%), and soybean oil (1.9%).

We believe that the sell-off was mainly caused by concerns about the impact of the geopolitical conflict in Palestine on inflation, which could spread to other regions in the Middle East. So far, the impact has been reflected in the sudden spike in oil prices. Aside from the spike in oil prices, the market also received the data that US monthly CPI inflation rate went up to 0.32% mom in September (Aug: 0.28% mom), primarily due to the increase in super core inflation and a sharp increase in consumer inflation expectations in October to 3.8% (Sep: & Cons: 3.2%).

In the domestic market, market players are waiting for an announcement from the Constitutional Court regarding the age limit for presidential and vice presidential candidates for the 2024 election. If the Constitutional Court lowers the age limit to 35 years or lower, then it is very likely that presidential candidate Prabowo Subianto will run together with the Mayor of Solo Gibran Rakabuming Raka, President Joko Widodo's eldest son. The scenario will provide political certainty regarding the direction of Indonesia's economic development, especially in the fields of infrastructure, transportation, mining and downstreaming, as well as the National Capital (IKN) project.

We recommend investors to overweight on energy, infra, telco, healthcare, staples, and tobacco.

Lionel Priyadi

Macro Strategist

lionel.priyadi@samuel.co.id

+6221 2854 8854

## Economic Calendar

| Time (Jakarta)   | Country | Data and Event                         | Period | Survey  | Prior   |
|------------------|---------|--|--------|---------|---------|
| 10/16/2023 08:20 | CH      | 1-Yr Medium-Term Lending Facility Rate | 15-Oct | 2.50%   | 2.50%   |
| 10/16/2023 11:00 | ID      | Trade Balance                          | Sep    | \$2349m | \$3120m |
| 10/16/2023 11:00 | ID      | Exports YoY                            | Sep    | -13.80% | -21.21% |
| 10/16/2023 11:00 | ID      | Imports YoY                            | Sep    | -5.50%  | -14.77% |

JN = Japan - US = United States - CH = China - EC = Eurozone Aggregate - ID = Indonesia - GE = Germany - FR = France - UK = United Kingdom

# Global Macro Strategy Morning Notes

Economic-Equity-Commodities-Currencies-Politics-Policies



Your Lifelong Investment Partner

Macro Strategy & Equity Analysis

16 October 2023

| Research Team                   |  |                                |                 |
|---------------------------------|--|--------------------------------|-----------------|
| Prasetya Gunadi                 | Head of Equity Research, Strategy, Banking, Digital Banks    | prasetya.gunadi@samuel.co.id   | +6221 2854 8320 |
| Lionel Priyadi                  | Macro Equity Strategist                                      | lionel.priyadi@samuel.co.id    | +6221 2854 8854 |
| Muhamad Alfatih, CSA, CTA, CFTe | Senior Technical Analyst                                     | m.alfatih@samuel.co.id         | +6221 2854 8129 |
| Yosua Zisokhi                   | Cement, Cigarette, Paper, Plantation, Telco Infra, Chemicals | yosua.zisokhi@samuel.co.id     | +6221 2854 8387 |
| M. Farras Farhan                | Media, Poultry, Oil & Gas, Technology                        | farras.farhan@samuel.co.id     | +6221 2854 8346 |
| Pebe Peresia                    | Automotive, Consumer Staples, Retail                         | pebe.peresia@samuel.co.id      | +6221 2854 8339 |
| Juan Oktavianus Harahap         | Coal, Metal Mining   | juan.oktavianus@samuel.co.id   | +6221 2854 8846 |
| Jonathan Guyadi                 | Banking, Healthcare, Telco                                   | jonathan.guyadi@samuel.co.id   | +6221 2854 8321 |
| Adolf Richardo                  | Editor   | adolfrichardo@samuel.co.id     | +6221 2864 8397 |
| Ashalia Fitri Yuliana           | Research Associate   | ashalia.fitri@samuel.co.id     | +6221 2854 8389 |
| Daniel Aditya Widjaja           | Research Associate   | daniel.aditya@samuel.co.id     | +6221 2854 8322 |
| Laurencia Hiemas                | Research Associate   | laurencia.hiemas@samuel.co.id  | +6221 2854 8392 |
| Brandon Boedhiman               | Research Associate   | brandon.boedhiman@samuel.co.id | +6221 2854 8392 |
| Haikal Putra                    | Research Associate   | haikal.putra@samuel.co.id      | +6221 2854 8353 |

| Equity Institutional Team |                                    |                                 |                 |
|---------------------------|------------------------------------|---------------------------------|-----------------|
| Benny Bambang Soebagjo    | Head of Institutional Equity Sales | benny.soebagjo@samuel.co.id     | +6221 2854 8312 |
| Ronny Ardianto            | Institutional Equity Sales         | ronny.ardianto@samuel.co.id     | +6221 2854 8399 |
| Anthony Yunus             | Institutional Equity Sales         | anthony.yunus@samuel.co.id      | +6221 2854 8314 |
| Widya Meidrianto          | Institutional Equity Sales         | widya.meidrianto@samuel.co.id   | +6221 2854 8317 |
| Fachruly Fiater           | Institutional Sales Trader         | fachruly.fiater@samuel.co.id    | +6221 2854 8325 |
| Lucia Irawati             | Institutional Sales Trader         | lucia.irawati@samuel.co.id      | +6221 2854 8173 |
| Alexander Tayus           | Institutional Equity Dealer        | alexander.tayus@samuel.co.id    | +6221 2854 8319 |
| Leonardo Christian        | Institutional Equity Dealer        | leonardo.christian@samuel.co.id | +6221 2854 8147 |

| Equity Retail Team  |                              |                                |                 |
|---------------------|------------------------------|--------------------------------|-----------------|
| Joseph Soegandhi    | Head of Equity               | joseph.soegandhi@samuel.co.id  | +6221 2854 8872 |
| Damargumilang       | Head of Equity Retail        | damargumilang@samuel.co.id     | +6221 2854 8309 |
| Clarice Wijana      | Head of Equity Sales Support | clarice.wijana@samuel.co.id    | +6221 2854 8395 |
| Gitta Wahyu Retnani | Equity Sales & Trainer       | gitta.wahyu@samuel.co.id       | +6221 2854 8365 |
| Vincentius Darren   | Equity Sales                 | darren@samuel.co.id            | +6221 2854 8348 |
| Michael Alexander   | Equity Sales                 | michael.alexander@samuel.co.id | +6221 2854 8369 |
| Sylviawati          | Equity Sales                 | sylviawati@samuel.co.id        | +6221 2854 8112 |
| Wandha Ahmad        | Equity Sales                 | wandha.ahmad@samuel.co.id      | +6221 2854 8316 |
| Handa Sandiawan     | Equity Sales                 | handa.sandiawan@samuel.co.id   | +6221 2854 8302 |
| Denzel Obaja        | Equity Sales                 | denzel.obaja@samuel.co.id      | +6221 2854 8342 |
| Wahyudi Budiyo      | Dealer                       | wahyudi.budiyo@samuel.co.id    | +6221 2854 8152 |

| Fixed Income Sales Team  |                      |                               |                 |
|--------------------------|----------------------|-------------------------------|-----------------|
| R. Virine Tresna Sundari | Head of Fixed Income | virine.sundari@samuel.co.id   | +6221 2854 8170 |
| Rudianto Nugroho         | Fixed Income Sales   | rudianto.nugroho@samuel.co.id | +6221 2854 8306 |
| Sany Rizal Keliobas      | Fixed Income Sales   | sany.rizal@samuel.co.id       | +6221 2854 8337 |
| Safitri                  | Fixed Income Sales   | safitri@samuel.co.id          | +6221 2854 8376 |
| Khairanni                | Fixed Income Sales   | khairanni@samuel.co.id        | +6221 28548104  |
| Saldy Achmad Yanuar      | Fixed Income Sales   | saldy.achmad@samuel.co.id     | +6221 28548384  |
| Nadya Attahira           | Fixed Income Sales   | nadya.attahira@samuel.co.id   | +6221 2854 8305 |

**DISCLAIMERS:** Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. This document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Samuel Sekuritas Indonesia.