

Global Macro Strategy Indicators

Stock Indexes	11/9/2023	Daily (%)	MTD (%)	YTD (%)
US - Dow Jones	33,891.9	(0.6)	2.5	2.2
US - S&P 500	4,347.4	(0.8)	3.7	13.2
US - NASDAQ	13,521.5	(0.9)	5.2	29.2
US - Russell 2000	1,687.2	(1.6)	1.5	(4.2)
Eurozone - STOXX 50	4,229.2	1.2	4.1	11.5
UK - FTSE 100	7,455.7	0.7	1.8	0.1
Germany - DAX 30	15,352.5	0.8	3.7	10.3
France - CAC 40	7,113.7	1.1	3.3	9.9
Japan - Nikkei	32,646.5	1.5	5.8	25.1
South Korea - KOSPI	2,427.1	0.2	6.5	8.5
MSCI Emerging Markets	956.3	(0.2)	4.5	(0.0)
MSCI Asia Excluding Japan	605.1	(0.1)	4.2	(2.3)
China - Hang Seng	17,511.3	(0.3)	2.3	(11.5)
China - CSI 300	3,612.8	0.0	1.1	(6.7)
India - Sensex	64,832.2	(0.2)	1.5	6.6
Indonesia - JCI/IDX	6,838.2	0.5	1.3	(0.2)
Malaysia - FTSE KLCI	1,452.3	(0.4)	0.7	(2.9)
Thailand - Thai SET	1,405.0	(0.5)	1.7	(15.8)
Philippines - PSEi	6,188.2	0.5	3.6	(5.8)
IDX Subsectors	11/9/2023	Daily (%)	MTD (%)	YTD (%)
IDX Financials	1380.1	0.5	1.9	(2.5)
IDX Basic Materials	1189.5	(0.2)	(1.7)	(2.2)
IDX Energy	1954.8	0.4	(2.7)	(14.2)
IDX Consumer Non-Cyclicals	741.0	(0.0)	(1.3)	3.4
IDX Infrastructures	1339.0	7.5	5.6	54.1
IDX Consumer Cyclicals	799.1	0.2	(4.0)	(6.1)
IDX Technology	4109.8	0.1	6.6	(20.4)
IDX Properties & Real Estate	708.6	(0.1)	2.3	(0.4)
IDX Healthcare	1368.4	(0.3)	(6.5)	(12.6)
IDX Industrials	1101.0	0.1	(2.2)	(6.2)
IDX Transportations & Logistics	1653.5	0.2	(1.5)	(0.5)
Commodities	11/9/2023	Daily (%)	MTD (%)	YTD (%)
Oil Brent (USD/bbl)	80.0	0.6	(8.5)	(6.9)
Oil WTI (USD/bbl)	75.7	0.5	(6.5)	(5.6)
Coal Newcastle (USD/ton)	129	1.2	6.3	(67.0)
US Soybean Oil (USD/lbs)	50.5	1.0	(1.9)	(20.9)
CPO Malaysia (MYR/ton)	3,684	(0.6)	3.4	(11.7)
Gold NYMEX (USD/toz)	1,970	0.6	(0.8)	8.2
Nickel LME (USD/ton)	17,673	(1.6)	(1.4)	(40.9)
Copper LME (USD/ton)	8,110	0.1	0.7	(3.1)
Wheat CBT (USD/bushel)	581	(1.9)	4.4	(26.7)
Corn CBT (USD/bushel)	468	(1.7)	(2.2)	(31.0)
S&P-Goldman Sachs Commodity Index	555.5	(0.4)	(3.9)	(8.9)
Currencies & Fixed Income	12/31/2022	Daily (%)	MTD (%)	YTD (%)
Dollar Index	105.9	0.3	(0.7)	2.3
USD/IDR	15,655	0.0	(1.4)	0.6
USD/IDR 1 Month NDF	15,690	0.3	(1.4)	1.0
US Treasuries 10-Year (bp)	4.62	13.2	(30.7)	74.9
Indonesia INDOGB 10-Year (bp)	6.77	(2.5)	(33.4)	(16.7)
ID CDS 5-Year	85.6	1.7	(13.2)	(14.0)

Source: Bloomberg, SSI Research

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Powell's remarks spark a stock sell-off

- Powell's hawkish speech sparked a sell-off in the US stock market.
- We believe the speech is the Fed's attempt to keep the US financial market relatively restrictive, especially through the 30Y UST yield.
- There's a huge possibility of market volatility after the release of October inflation data next Tuesday, especially if there's an increase in monthly inflation rate

Fed Chair Jerome Powell made a rather hawkish speech at an IMF event last night. In the speech, Powell stated that Fed officials were uncertain about the restrictive effect of monetary policy on inflation. This sparked a sell-off, not only in global bond markets but also in the US stock market, whose indices fell between -0.6% to -0.9% last night (11/9).

In our opinion, Powell's speech could have a negative impact on the JCI, though we expect the JCI to move sideways, staying within the range 6,600-6,900, with the potential of reaching 7,000 by the end of the year, thanks to the positive effects of last year's commodity windfall. In addition, JCI's movement (a decline of -0.2% YTD) is still much better than MSCI Asia (except Japan) (-2.3% YTD).

We believe that Powell's speech might cause market fluctuations, especially after the release of US CPI inflation data for October next Tuesday (11/14). US market players are worried about the possibility of the monthly core CPI inflation rate rising to 0.4% mom (Sep: 0.3% mom). If this happens, the US stock might become sharply volatile.

Fundamentally, we see Powell's speech as an effort to keep conditions in the US financial markets rather restrictive through market mechanisms, especially the 30Y UST yield, which is the main indicator for US banking interest rates. The market also seems to be aware of this, as reflected by the probability of Fed keeping the FFR at 5.5% in December (85%).

We had the opportunity to attend the 2024 election debate, which was attended by representatives of the campaign teams of each presidential and vice presidential candidate, at the Fund Award event yesterday. We got a pretty solid picture of the readiness of each presidential candidate's team for the election, including their policy plans and problem-solving ability to answer sectoral challenges in the financial markets. For more details, please contact us for a face-to-face briefing.

Sector Recommendation: Food retailers, cigarettes, telco infrastructures, hospitals.

Global Macro Strategy Morning Notes

Economic-Equity-Commodities-Currencies-Politics-Policies

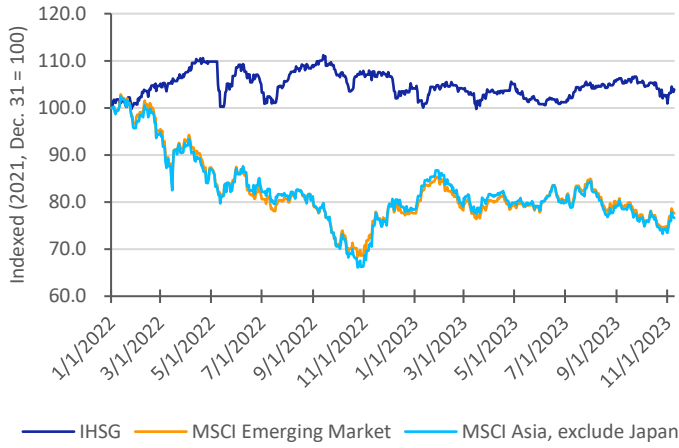


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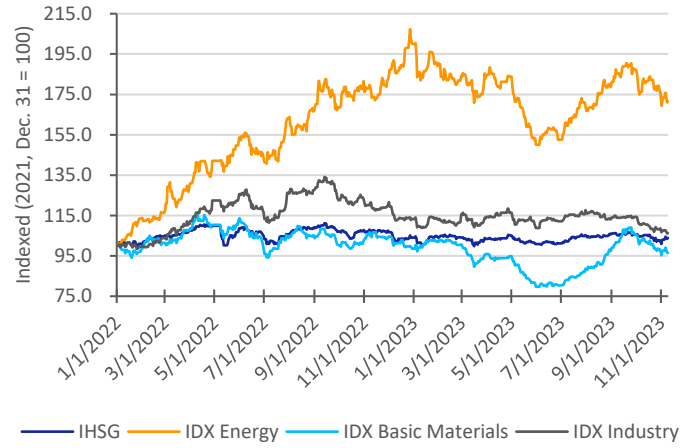
10 November 2023

Chart 1. Samuel's Regional Stock Watcher



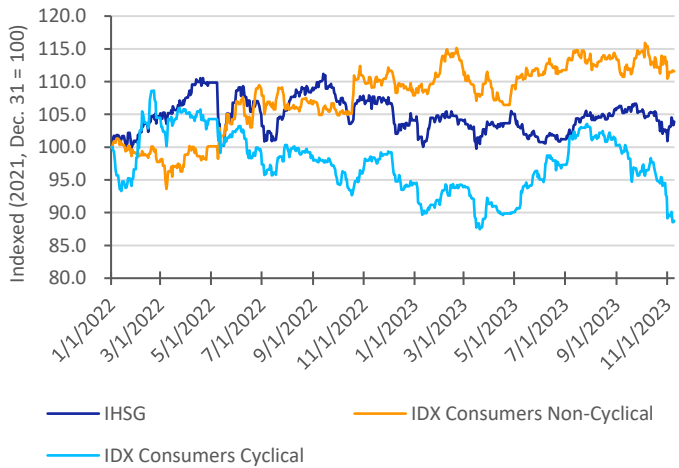
Source: Bloomberg

Chart 2. Samuel's Sectoral Watcher 1



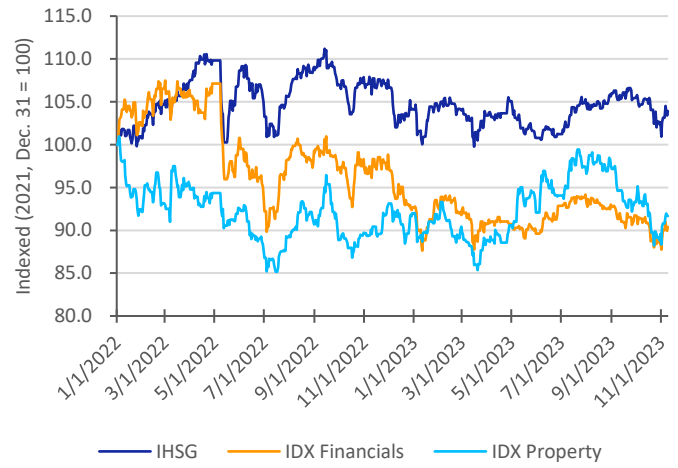
Source: Bloomberg

Chart 3. Samuel's Sectoral Watcher 2



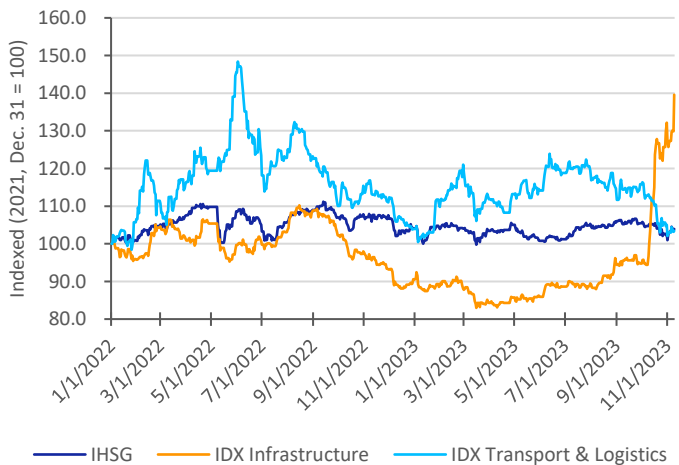
Source: Bloomberg

Chart 4. Samuel's Sectoral Watcher 3



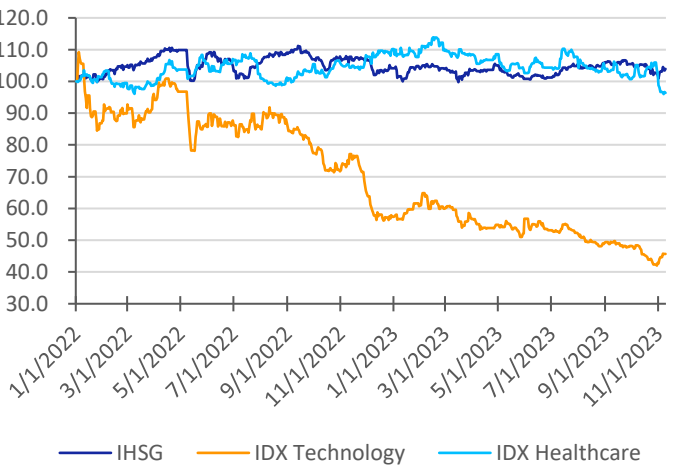
Source: Bloomberg

Chart 5. Samuel's Sectoral Watcher 4



Source: Bloomberg

Chart 6. Samuel's Sectoral Watcher 5



Source: Bloomberg

Global Macro Strategy Morning Notes

Economic-Equity-Commodities-Currencies-Politics-Policies



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Macro Strategy & Equity Analysis

10 November 2023

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