

Global Macro Strategy Morning Notes

Economic-Equity-Commodities-Currencies-Politics-Policies



Your Lifelong Investment Partner

Macro Strategy & Equity Analysis

3 November 2023

Global Macro Strategy Indicators

Stock Indexes	11/2/2023	Daily (%)	MTD (%)	YTD (%)
US - Dow Jones	33,839.1	1.7	2.4	2.1
US - S&P 500	4,317.8	1.9	3.0	12.5
US - NASDAQ	13,294.2	1.8	3.4	27.0
US - Russell 2000	1,714.2	2.7	3.1	(2.7)
Eurozone - STOXX 50	4,169.6	1.9	2.7	9.9
UK - FTSE 100	7,446.5	1.4	1.7	(0.1)
Germany - DAX 30	15,143.6	1.5	2.3	8.8
France - CAC 40	7,060.7	1.8	2.5	9.1
Japan - Nikkei	31,949.9	1.1	3.5	22.4
South Korea - KOSPI	2,343.1	1.8	2.9	4.8
MSCI Emerging Markets	930.6	1.6	1.7	(2.7)
MSCI Asia Excluding Japan	588.6	1.5	1.3	(4.9)
China - Hang Seng	17,230.6	0.8	0.7	(12.9)
China - CSI 300	3,554.2	(0.5)	(0.5)	(8.2)
India - Sensex	64,080.9	0.8	0.3	5.3
Indonesia - JCI/IDX	6,751.4	1.6	(0.0)	(1.4)
Malaysia - FTSE KLCI	1,439.8	0.3	(0.2)	(3.7)
Thailand - Thai SET	1,404.0	1.7	1.6	(15.9)
Philippines - PSEi	5,973.8	0.0	0.0	(9.0)
IDX Subsectors	11/2/2023	Daily (%)	MTD (%)	YTD (%)
IDX Financials	1358.7	1.4	0.3	(4.0)
IDX Basic Materials	1197.6	1.8	(1.1)	(1.5)
IDX Energy	1946.2	0.8	(3.1)	(14.6)
IDX Consumer Non-Cyclicals	735.8	0.3	(2.0)	2.7
IDX Infrastructures	1205.9	(1.4)	(4.9)	38.8
IDX Consumer Cyclicals	808.2	0.7	(3.0)	(5.0)
IDX Technology	3966.8	3.5	2.9	(23.2)
IDX Properties & Real Estate	699.2	2.4	1.0	(1.7)
IDX Healthcare	1393.4	(0.7)	(4.8)	(11.0)
IDX Industrials	1108.9	0.2	(1.5)	(5.6)
IDX Transportations & Logistics	1644.8	0.8	(2.1)	(1.0)
Commodities	11/2/2023	Daily (%)	MTD (%)	YTD (%)
Oil Brent (USD/bbl)	86.9	2.6	(0.6)	1.1
Oil WTI (USD/bbl)	82.5	2.5	1.8	2.7
Coal Newcastle (USD/ton)	128	1.2	5.7	(67.1)
US Soybean Oil (USD/lbs)	50.3	0.8	(2.1)	(21.1)
CPO Malaysia (MYR/ton)	3,743	2.6	5.0	(10.3)
Gold NYMEX (USD/toz)	1,994	0.3	0.4	9.6
Nickel LME (USD/ton)	17,898	0.0	(0.2)	(40.1)
Copper LME (USD/ton)	8,084	0.0	0.4	(3.5)
Wheat CBT (USD/bushel)	566	0.7	1.7	(28.6)
Corn CBT (USD/bushel)	470	(1.1)	(1.8)	(30.7)
S&P-Goldman Sachs Commodity Index	585.9	1.1	1.4	(4.0)
Currencies & Fixed Income	12/31/2022	Daily (%)	MTD (%)	YTD (%)
Dollar Index	106.1	(0.7)	(0.5)	2.5
USD/IDR	15,857	(0.5)	(0.2)	1.9
USD/IDR 1 Month NDF	15,856	(0.4)	(0.4)	2.1
US Treasuries 10-Year (bp)	4.66	(7.5)	(27.2)	78.4
Indonesia INDOGB 10-Year (bp)	7.07	(0.3)	(3.4)	13.3
ID CDS 5-Year	90.7	(6.2)	(8.0)	(8.9)

Source: Bloomberg, SSI Research

Stay cautious despite the bullish rally

- The post-FOMC announcement rebound in global stock markets continued yesterday, even stronger than the day before.
- Commodity prices rebounded as well, especially energy,
- We advise investors to stay cautious ahead of the announcement of MKMK's decision next week.

The FOMC announcement-driven bullish rally in the global stock market continued yesterday, marked by increases in US and European stock indices by 1.7-1.9% and 1-4-1.9%, respectively. This should help boost stock indices in emerging markets and Asia, including Indonesia (JCI went up 1.6% yesterday after falling (-1.6)% the day before due to political uncertainty).

Technology and property sectors recorded the strongest rebound (3.5% and 2.4% respectively), followed by basic materials (1.8%) and financial (1.4%). Meanwhile, infrastructure sector fell (-1.4)%.

Commodity market also experienced a bullish rally, with the S&P-Goldman Sachs index rising by 1.1%. Energy led the rebound in commodity markets, with Brent crude oil prices rising by 2.6%, WTI 2.5% and Newcastle coal 1.2%.

Political uncertainty still looms over the JCI. The statement by the Honorary Council of the Constitutional Court regarding the collection of evidence related to ethical violations by a number of constitutional judges has increased the possibility for the MK's decision regarding the age limit for presidential and vice-presidential candidates to be annulled.

Some market players have begun speculating on the possibility of presidential candidate Prabowo Subianto replacing his vice presidential candidate by picking Erick Thohir, following their meeting at Erick Thohir's residence on October 31. Although this is still pure speculation, we do not rule out the possibility of major political changes following the announcement of MKMK's decision next week.

We advise investors to maintain a defensive position, and our sectoral picks are:

Sector Recommendation: Food retailers, cigarettes, infrastructures, health.

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Economic Calendar

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
11/03/2023 19:30	US	Change in Nonfarm Payrolls	Oct	180k	336k
11/03/2023 19:30	US	Unemployment Rate	Oct	3.80%	3.80%
11/03/2023 19:30	US	Labor Force Participation Rate	Oct	62.80%	62.80%
11/03/2023 21:00	US	ISM Services Index	Oct	53.00	53.60

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

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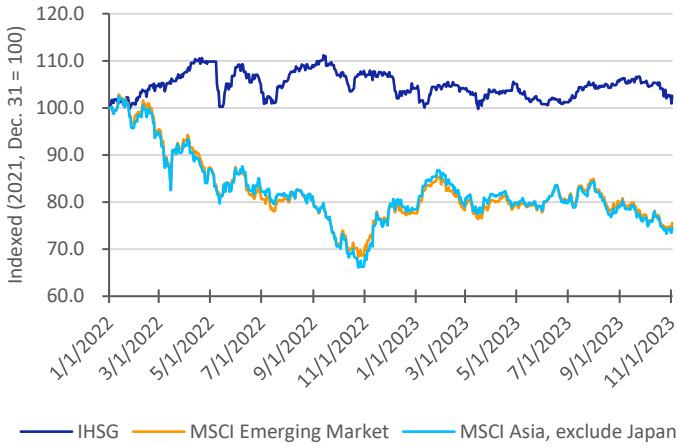


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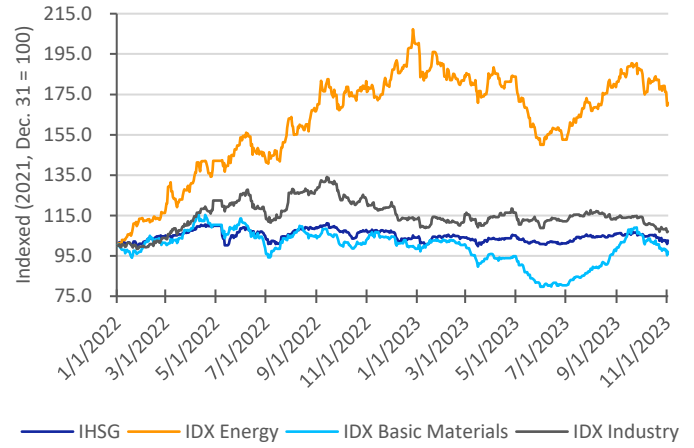
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Chart 1. Samuel's Regional Stock Watcher



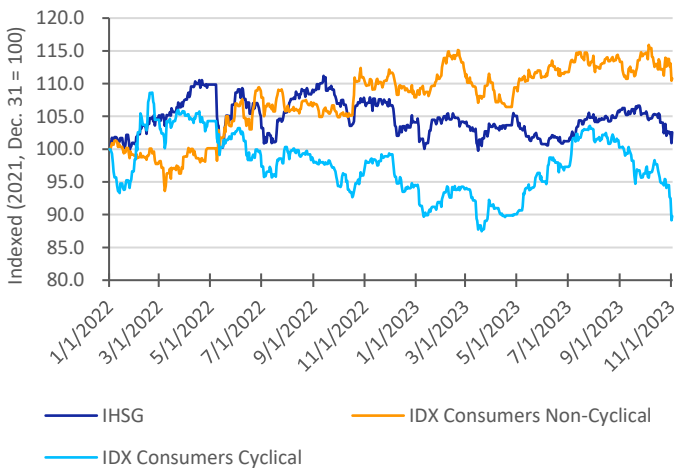
Source: Bloomberg

Chart 2. Samuel's Sectoral Watcher 1



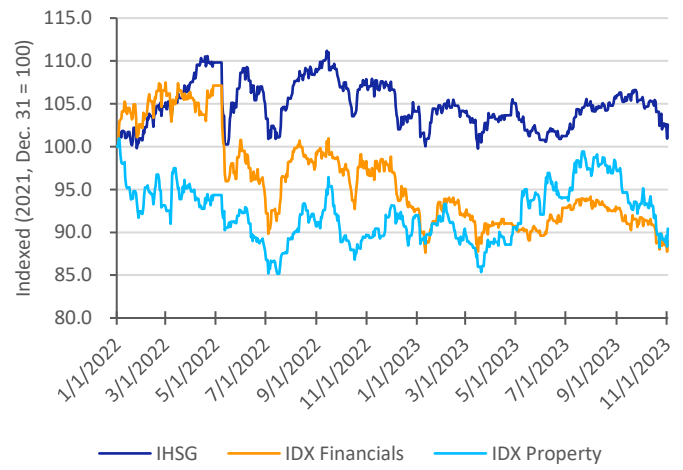
Source: Bloomberg

Chart 3. Samuel's Sectoral Watcher 2



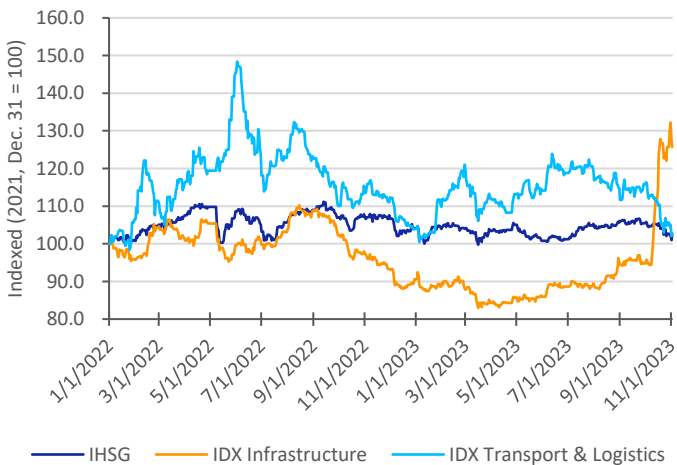
Source: Bloomberg

Chart 4. Samuel's Sectoral Watcher 3



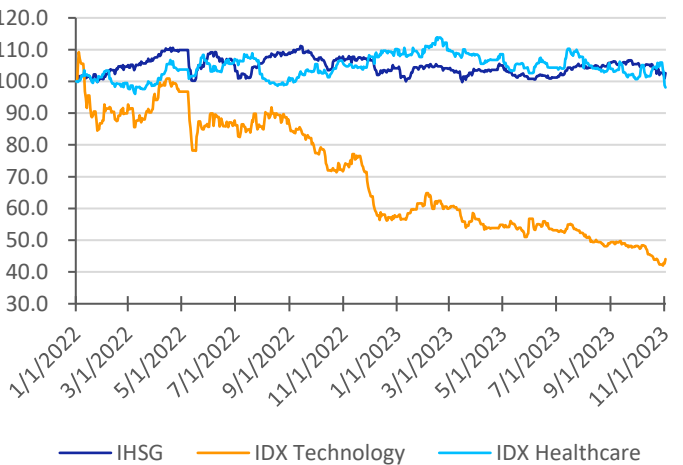
Source: Bloomberg

Chart 5. Samuel's Sectoral Watcher 4



Source: Bloomberg

Chart 6. Samuel's Sectoral Watcher 5



Source: Bloomberg

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