

Morning Brief

Daily | June 30, 2022

Today's Outlook:

Fears of a soft recession, investors are interested in Safe Haven. Benchmark FR91 yields fell 5 bps, and FR90 even fell 24 bps a week. Previously, market optimism faded after consumer expectations of the Conf version. The US Consumer Confidence Board in June fell to 98.7, the lowest since February 2021. Recession fears increased after the Fed's aggressive Hawkish stance against rising inflation.

Corporate Bonds

HEAL: Offers IDR553 Billion Bonds. PT Medikaloka Hermina Tbk (HEAL) will offer IDR553.5 billion bonds. The bond issuance is for expansion, including the purchase of land, medical equipment, and working capital. The bonds offered with a principal amount of IDR100 billion consist of two series, series A bonds worth IDR37 billion and series B bonds offered IDR63 billion. (Emiten News)

Domestic Issue

Indonesia G20 Presidency Target. The government targets Indonesia's G20 Presidency to produce implementable economic projects to support global economic recovery, focusing on three main priorities. First, reorganizing a more inclusive world health architecture by ensuring a more equitable availability of vaccines and a resilient and inclusive health system. Second, encouraging a digital-based economic transformation to encourage MSMEs and create new sources of economic growth. Third, accelerating the transition to more environmentally friendly energy that is not only fair between the interests of developing and developed countries, but must also be affordable, both in terms of technology and financing. (CNN Indonesia)

Recommendation

GDP Contraction Negative sentiment, coloring SUN trading today. US GDP Annualized QoQ 1Q22 contracted -1.6% (Vs. Surv. -1.5%), as inventories of unsold goods increased, amid falling consumer spending. The US economy in the first quarter contracted more than expected as the trade deficit widened to a record. Meanwhile, Personal Consumption 1Q22, a 70% contributor to the economy, only grew +1.8% (Vs. Surv. +3.1%).

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.01%	3.51%
FX Reserve (USD bn)	135.60	135.70	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	2.90	7.56	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	27.00%	47.76%	FDI (USD bn)	5.67	4.70
Imports Yoy	30.74%	21.97%	Business Confidence	104.82	105.33
Inflation Yoy	3.55%	3.47%	Cons. Confidence*	128.90	113.10

PRICE OF BENCHMARK SERIES

FR0090 : -3.6 Bps to 95.43 (6.23%)
FR0091 : -3.4 Bps to 93.86 (7.25%)
FR0093 : +0.4 Bps to 91.39 (7.32%)
FR0092 : -1.1 Bps to 98.82 (7.23%)

FR0086 : +0.1 Bps to 98.24 (6.02%)
FR0087 : -4.8 Bps to 95.35 (7.23%)
FR0083 : -1.7 Bps to 99.79 (7.51%)
FR0088 : 0.0 Bps to 89.25 (0.00%)

CDS of Indonesia Bonds

CDS 2yr: +3.41% to 60.40
CDS 5yr: +17.76% to 127.42
CDS 10yr: +2.78% to 206.87

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.28%	-0.03%
USDIDR	14,850	0.09%
KRWIDR	11.43	-1.06%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,029.31	82.32	0.27%
S&P 500	3,818.83	(2.72)	-0.07%
FTSE 100	7,312.32	(11.09)	-0.15%
DAX	13,003.35	(228.47)	-1.73%
Nikkei	26,804.60	(244.87)	-0.91%
Hang Seng	21,996.89	(422.08)	-1.88%
Shanghai	3,361.52	(47.69)	-1.40%
KOSPI	2,377.99	(44.10)	-1.82%
EIDO	22.41	(0.31)	-1.36%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,817.7	(2.3)	-0.13%
Crude Oil (\$/bbl)	109.78	(1.98)	-1.77%
Coal (\$/ton)	380.00	(13.50)	-3.43%
Nickel LME (\$/MT)	23,773	615.0	2.66%
Tin LME (\$/MT)	26,774	(26.0)	-0.10%
CPO (MYR/Ton)	4,903	(86.0)	-1.72%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	19:30	Durable Goods Orders	May	0.7%	0.1%	0.4%
<i>27 - June</i>	US	19:30	Pending Home Sales MoM	May	0.7%	-4.0%	-4.0%
Tuesday	US	19:30	Wholesale Inventories MoM	May	2.0%	2.1%	2.3%
<i>28 - June</i>	US	21:00	Conf. Board Consumer Confidence	Jun.	98.7	100.0	103.2
Wednesday	US	18:00	MBA Mortgage Applications	Jun.	0.7%	--	4.2%
<i>29 - June</i>	US	19:30	GDP Annualized QoQ	1Q22	-1.6%	-1.5%	-1.5%
	US	19:30	Personal Consumption	1Q22	1.8%	3.1%	3.1%
	US	19:30	GDP Price Index	1Q22	8.2%	8.1%	8.1%
Thursday	US	19:30	Initial Jobless Claims	Jun.		--	229k
<i>30 - June</i>	US	19:30	PCE Deflator MoM	May		0.7%	0.2%
	US	19:30	PCE Deflator YoY	May		--	6.3%
	US	19:30	PCE Core Deflator MoM	May		0.5%	0.3%
Friday	ID	07:30	S&P Global Indonesia PMI Mfg.	Jun.		--	50.8
<i>1 - July</i>	ID	11:00	CPI YoY	Jun.		4.19%	3.55%
	ID	11:00	CPI MoM	Jun.		0.45%	0.40%
	ID	11:00	CPI Core YoY	Jun.		2.70%	2.58%

Source: Bloomberg

Research Division

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

Editor & Translator

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
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