

Morning Brief

Daily | June 13, 2022

Today's Outlook:

Ineffective in May, **speculation of a 75 bps July FFR hike**. May high inflation (1.0% MoM; 8.6% YoY), breaking March peak inflation expectations (1.2% MoM; 8.5% YoY), convinced the Fed to be more Hawkish coming 3Q22. This makes CME FedWatch include the probability of a 75 bps FFR increase in their calculations. The weekend's market moves, also amid the ECB's decision on QE, and will raise interest rates by 25 bps, which also closes the negative -0.5% interest rate trend. Yields increased in almost all SUN benchmarks, with FR0091 up 0.6 bps to 7.18%.

Corporate Bonds

BNII: Pay off IDR 637.26 Billion Bonds. PT Bank Maybank Indonesia Tbk (BNII) has prepared funds of IDR 637.26 billion. Meanwhile, the funds will be used to pay off the IDR 624 billion bond principal. Furthermore, an amount of IDR 13.26 billion to pay off the interest on the 12th bond which will mature on July 3, 2022. (Emiten News)

Domestic Issue

BI: Projected Inflation in June 2022 at 0.32%. Based on a Bank Indonesia survey, price monitoring on the second week of June 2022, inflation in the month under review is estimated at 0.32% MoM, or lower than 0.40% MoM in May 2022. With these developments, the forecast for June 2022 inflation on a calendar year basis by 2.89% YtD, and on an annual basis by 4.05% YoY. Meanwhile, the main contributors to inflation in June 2022, including commodities: red chilies and cayenne peppers. (Kontan)

Recommendation

Inflation at the producer level, along with the limited supply of raw materials, plus the energy crisis, will suppress the company's margins. US May Final Demand PPI is projected, posting inflation of 0.8% MoM (Vs. Apr. 0.5% MoM) and 10.8% YoY (Vs. Apr. 11.0% YoY). This data is released ahead of the June FOMC Rate Decision meeting, which is projected to raise the FFR to 1.25%-1.50%. This week, the government again offered PBS031, PBS032, PBS029, PBS034, PBS033, and SPNS 13122022 (New Issuance) in the planned Sukuk auction Tuesday (14/06).

PRICE OF BENCHMARK SERIES

FR0090 : +1.4 Bps to 95.36 (6.24%)
FR0091 : +0.6 Bps to 94.33 (7.18%)
FR0093 : +2.0 Bps to 91.45 (7.31%)
FR0092 : -1.3 Bps to 98.03 (7.31%)

FR0086 : +5.7 Bps to 98.63 (5.90%)
FR0087 : -0.5 Bps to 95.78 (7.16%)
FR0083 : +2.7 Bps to 102.54 (7.24%)
FR0088 : -4.0 Bps to 91.18 (7.26%)

CDS of Indonesia Bonds

CDS 2yr: +11.52% to 49.72
CDS 5yr: +7.98% to 100.35
CDS 10yr: +9.00% to 190.41

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.21%	0.01%
USDIDR	14,550	-0.09%
KRWIDR	11.47	-1.01%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,392.79	(880.00)	-2.73%
S&P 500	3,900.86	(116.96)	-2.91%
FTSE 100	7,317.52	(158.69)	-2.12%
DAX	13,761.83	(436.97)	-3.08%
Nikkei	27,824.29	(422.24)	-1.49%
Hang Seng	21,806.18	(62.87)	-0.29%
Shanghai	3,284.83	45.88	1.42%
KOSPI	2,595.87	(29.57)	-1.13%
EIDO	23.26	(0.52)	-2.19%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,871.6	23.7	1.28%
Crude Oil (\$/bbl)	120.67	(0.84)	-0.69%
Coal (\$/ton)	392.35	(3.65)	-0.92%
Nickel LME (\$/MT)	27,264	(759.0)	-2.71%
Tin LME (\$/MT)	35,265	(1475.0)	-4.01%
CPO (MYR/Ton)	5,920	(290.0)	-4.67%

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)	7.56	4.53	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	47.76%	44.36%	FDI (USD bn)	5.67	4.70
Imports Yoy	21.97%	30.85%	Business Confidence	104.82	105.33
Inflation Yoy	3.55%	3.47%	Cons. Confidence*	128.90	113.10

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	UK	13:00	Industrial Production MoM	Apr.		--	-0.2%
<i>13 - June</i>	UK	13:00	Industrial Production YoY	Apr.		--	0.7%
	UK	13:00	Manufacturing Production MoM	Apr.		--	-0.2%
	UK	13:00	Manufacturing Production YoY	Apr.		--	1.9%
Tuesday	JP	11:30	Capacity Utilization MoM	Apr.		--	-1.6%
<i>14 - June</i>	JP	11:30	Industrial Production MoM	Apr.		--	-1.3%
	US	19:30	PPI Final Demand MoM	May		0.8%	0.5%
	US	19:30	PPI Final Demand YoY	May		10.8%	11.0%
Wednesday	ID	11:00	Trade Balance	May		\$2,250Mn	\$7,560Mn
<i>15 - June</i>	ID	11:00	Exports YoY	May		33.80%	47.76%
	ID	11:00	Imports YoY	May		40.50%	21.97%
	US	18:00	MBA Mortgage Applications	Jun.		--	-6.5%
Thursday	US	01:00	FOMC Rate Decision (Lower Bound)	Jun.		1.25%	0.75%
<i>16 - June</i>	US	01:00	FOMC Rate Decision (Upper Bound)	Jun.		1.50%	1.00%
	US	19:30	Housing Starts	May		1,714k	1,724k
	US	19:30	Initial Jobless Claims	Jun.		--	229k
Friday	EC	16:00	CPI YoY	May		8.1%	7.4%
<i>17 - June</i>	EC	16:00	CPI MoM	May		0.8%	0.8%
	US	20:15	Industrial Production MoM	May		0.5%	1.1%
	US	21:00	Leading Index	May		-0.4%	-0.3%

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

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

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

A Member of NH Investment & Securities Global Network

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