

# Morning Brief

Daily | June 29, 2022

## Today's Outlook:

**Sukuk Auction under Indicative Target.** The results of the Sukuk auction yesterday, the government managed to win IDR 7.8 trillion or below the indicative target of IDR 9 trillion. This figure is in line with the offer to enter the Sukuk auction which is only worth IDR 15.8 trillion. Currently, market players are in a wait-and-see attitude, waiting for the release of domestic inflation data next Friday. Of the six series offered, the government won PBS031, PBS032, PBS030, PBS029, and PBS033. On the other hand, the low entry bid for SPNS13122022, made the government not win any 6-month tenor Sukuk.

## Corporate Bonds

**Pefindo Reaffirms SMI Bond Ratings.** PT Pemeringkat Efek Indonesia has reaffirmed its idAAA and idAAA(sy) ratings for the bonds and sukuk of PT Sarana Multi Infrastruktur (Persero) or SMI which will soon mature. The bonds in question are Shelf Registration Bonds II Phase II/2019 Series B worth IDR 1.3 trillion. In addition, Pefindo also reaffirmed its idAAA(sy) rating for the Sustainable Sukuk Mudharabah I Phase III/2019 Series B worth IDR 417 billion. (Bisnis Indonesia)

## Domestic Issue

**Fitch Maintains Indonesia's Debt Rating.** Rating agency Fitch has continued to maintain Indonesia's debt rating at BBB or investment grade with a stable outlook on Tuesday (28/6). This is in view of Indonesia's good medium-term growth prospects, as well as the government's debt-to-gross domestic product (GDP) ratio which is still low. However, Fitch sees that there are still several challenges that need to be considered by Indonesia, in relation to the increasing external financing ratio as well as government revenues which are considered to be still low. (Kontan)

## Recommendation

**Investors Watch US Soft Recession Speculation.** Consumer expectations, Conf. Board Consumer Confidence in June, fell to a level of 98.7 (Vs. May 103.2) sparking fears of a soft recession, and ahead of the release of next month's earnings season. Based on Bloomberg survey data, US Annualized GDP QoQ 1Q22 is projected to contract -1.5% (Vs. 4Q21 +6.9%), as supply-chain shocks and high inflation weigh on economic growth.

## 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 : -13.4 Bps to 95.31 (6.27%)  
FR0091 : +3.8 Bps to 93.63 (7.29%)  
FR0093 : +3.9 Bps to 91.43 (7.32%)  
FR0092 : +0.4 Bps to 98.70 (7.24%)

FR0086 : -2.1 Bps to 98.24 (6.02%)  
FR0087 : +1.6 Bps to 95.05 (7.28%)  
FR0083 : -0.6 Bps to 99.63 (7.53%)  
FR0088 : +0.9 Bps to 89.25 (7.50%)

## CDS of Indonesia Bonds

CDS 2yr: +5.26% to 58.41  
CDS 5yr: +2.31% to 108.20  
CDS 10yr: +4.07% to 201.25

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.31%	0.04%
USDIDR	14,837	0.23%
KRWIDR	11.55	0.44%

## Global Indices

Index	Last	Chg.	%
Dow Jones	30,946.99	(491.27)	-1.56%
S&P 500	3,821.55	(78.56)	-2.01%
FTSE 100	7,323.41	65.09	0.90%
DAX	13,231.82	45.75	0.35%
Nikkei	27,049.47	178.20	0.66%
Hang Seng	22,418.97	189.45	0.85%
Shanghai	3,409.21	30.03	0.89%
KOSPI	2,422.09	20.17	0.84%
EIDO	22.72	(0.17)	-0.74%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,820.0	(2.8)	-0.16%
Crude Oil (\$/bbl)	111.76	2.19	2.00%
Coal (\$/ton)	393.50	1.05	0.27%
Nickel LME (\$/MT)	23,158	276.0	1.21%
Tin LME (\$/MT)	26,800	(191.0)	-0.71%
CPO (MYR/Ton)	4,989	67.0	1.36%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	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%
<b>Tuesday</b>	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
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Jun.		--	4.2%
<i>29 - June</i>	US	19:30	GDP Annualized QoQ	1Q22		-1.4%	-1.5%
	US	19:30	Personal Consumption	1Q22		--	3.1%
	US	19:30	GDP Price Index	1Q22		8.1%	8.1%
<b>Thursday</b>	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%
	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

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