

Morning Brief

Daily | July 13, 2022

Today's Outlook:

Government Wins IDR 6 Trillion. The government won the auction of State Sharia Securities (SBSN) or State Sukuk last Tuesday worth Rp 6 trillion or below the indicative target set at Rp 7 trillion. The series offered are SPNS10012023 (new issue), PBS031 (re-opening), PBS032 (re-opening), PBS029 (re-opening), PBS034 (re-opening) and PBS033 (re-opening). The total offering of state sukuk reached Rp 12.8 trillion. In more detail, PBS031 is the state sukuk series with the highest entry offer reaching Rp 8 trillion.

Corporate Bonds

Spindo (ISSP) Issues Shelf-Registered Bonds and Sukuk. PT Steel Pipe Industry of Indonesia Tbk (ISSP) will issue corporate debt securities with a total value of IDR 300 billion. ISSP will issue Shelf Registration Bonds I Phase II Year 2022 with a principal amount of IDR 150 billion. Along with the issuance of the bonds, Spindo will also issue Sustainable Sukuk Ijarah Phase II Year 2022, with the remaining ijarah fee of IDR 150 billion. (Kontan)

Domestic Issue

State Sukuk Auction, Government Gains IDR 6 Trillion. The government gained IDR 6 trillion from the auction of State Sharia Securities (SBSN) or State Sukuk on Tuesday. The government conducts SBSN auctions for series SPNS10012023 (new issuance), PBS031 (reopening), PBS032 (reopening), PBS029 (reopening), PBS034 (reopening) and PBS033 (reopening). The total incoming state sukuk offers reached IDR 12.7 trillion. PBS031 is the sovereign sukuk series with the most offers, reaching IDR 8 trillion. (Kompas)

Recommendation

BI's RDG, which is a week earlier than the FOMC meeting, makes investors tend to wait and see. Apart from waiting for data on US inflation in June at the consumer and producer levels, which are projected to remain high, investors' wait-and-see attitude is watching developments on a number of BI RDG issues on the third Thursday of the next week. On the other hand, the potential for US inflation to remain high, has the chance to make the Fed raise the FFR between 50 bps - 75 bps at the end of July.

PRICE OF BENCHMARK SERIES

FR0090 : -0.4 Bps to 95.60 (6.20%)
FR0091 : -2.7 Bps to 93.90 (7.25%)
FR0093 : -1.5 Bps to 91.51 (7.31%)
FR0092 : +0.2 Bps to 97.65 (7.35%)

FR0086 : -4.6 Bps to 97.84 (6.14%)
FR0087 : -2.9 Bps to 95.71 (7.17%)
FR0083 : -0.3 Bps to 99.92 (7.50%)
FR0088 : +0.3 Bps to 90.55 (7.34%)

CDS of Indonesia Bonds

CDS 2yr: +5.51% to 69.61
CDS 5yr: +7.33% to 155.78
CDS 10yr: +4.49% to 231.79

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.27%	-0.03%
USDIDR	14,988	0.10%
KRWIDR	11.43	-0.51%

Global Indices

Index	Last	Chg.	%
Dow Jones	30,981.33	(192.51)	-0.62%
S&P 500	3,818.80	(35.63)	-0.92%
FTSE 100	7,209.86	13.27	0.18%
DAX	12,905.48	73.04	0.57%
Nikkei	26,336.66	(475.64)	-1.77%
Hang Seng	20,844.74	(279.46)	-1.32%
Shanghai	3,281.47	(32.12)	-0.97%
KOSPI	2,317.76	(22.51)	-0.96%
EIDO	21.75	0.08	0.37%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,726.0	(8.0)	-0.46%
Crude Oil (\$/bbl)	95.84	(8.25)	-7.93%
Coal (\$/ton)	426.00	7.00	1.67%
Nickel LME (\$/MT)	21,374	(465.0)	-2.13%
Tin LME (\$/MT)	25,574	(689.0)	-2.62%
CPO (MYR/Ton)	4,116	(41.0)	-0.99%

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)	136.40	135.60	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	4.35%	3.55%	Cons. Confidence*	128.90	113.10

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	JP	06:50	Core Machine Orders MoM	May	-5.6%	-5.5%	10.8%
11 - July	JP	06:50	Core Machine Orders YoY	May	7.4%	5.6%	19.0%
	JP	13:00	Machine Tool Orders YoY	Jun.	17.1%	--	23.7%
Tuesday	JP	06:50	PPI YoY	Jun.	9.2%	8.9%	9.3%
12 - July	JP	06:50	PPI MoM	Jun.	0.7%	0.6%	0.1%
Wednesday	GE	13:00	CPI YoY	Jun.		7.6%	7.6%
13 - July	US	18:00	MBA Mortgage Applications	Jul.		--	-5.4%
	US	19:30	CPI MoM	Jun.		1.1%	1.0%
	US	19:30	CPI YoY	Jun.		8.8%	8.6%
Thursday	US	19:30	PPI Final Demand MoM	Jun.		0.8%	0.8%
14 - July	US	19:30	PPI Final Demand YoY	Jun.		10.4%	10.8%
	US	19:30	Initial Jobless Claims	Jul.		--	235K
	US	19:30	Continuing Claims	Jul.		--	1,375K
Friday	ID	11:00	Trade Balance	Jun.		\$3,250Mn	\$2,900Mn
15 - July	ID	11:00	Exports YoY	Jun.		27.64%	27.00%
	ID	11:00	Imports YoY	Jun.		20.10%	30.74%
	US	21:00	U. of Mich. Sentiment	Jul.		49.0	50.0

Source: Bloomberg

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