

# Morning Brief

Daily | July 28, 2022

## Today's Outlook:

**SUN Benchmark Strengthens Ahead of the FOMC Meeting.** Yield FR0091 fell nearly 6 bps to 7.35%; with FR0092 relatively flat at the level of 7.49%. Investors are selective buying, amid the projected FFR increase of only 75 bps, or under speculation that it will rise to 100 bps. Yesterday's SUN market movement was also in the midst of the rupiah exchange rate which was still maintained around the level of IDR15,000/USD.

## Corporate Bonds

**EXCL Issues Bonds and Sukuk Total IDR 3 Trillion.** PT XL Axiata Tbk (EXCL) will issue Shelf-Registered Bonds II Phase I Year 2022 and Shelf-Registered Sukuk Ijarah III Phase I Year 2022 by offering IDR 1.5 trillion each. So that the total value of bonds and sukuk issuance reached IDR 3 trillion. This issuance is part of the Public Sustainable Bonds and Sukuk Program with a target of IDR 5 trillion each. This Sukuk Ijarah program is the offering with the largest value ever issued by XL Axiata. (Kontan)

## Domestic Issue

**Government Gains IDR 1.74 Trillion.** The government has conducted an additional auction (greenshoe option) for State Sharia Securities (SBSN) on Wednesday (27/7/2022). The total incoming bids were booked at IDR 1.74 trillion for the four SBSN series which are project based sukuk (PBS). This additional auction is a follow-up to the SBSN auction on Tuesday (26/7/2022). Additional auction results show that all series were taken by the government, PBS031, PBS032, PBS029, and PBS033. Meanwhile, the total bids that entered the auction yesterday amounted to IDR 10.76 trillion. (Bisnis Indonesia)

## Recommendation

**Increase in FFR 75 Bps Price In.** Market participants have anticipated an increase in FFR 75 bps, as can be seen from the maintained movement of the Rupiah. Meanwhile, DXY fell to a level of 106.45 yesterday, after touching a high of 108.54 in mid-July.

## PRICE OF BENCHMARK SERIES

FR0090 : -1.7 Bps to 93.72 (6.69%)  
FR0091 : -5.7 Bps to 93.30 (7.35%)  
FR0093 : -8.7 Bps to 92.87 (7.15%)  
FR0092 : -0.9 Bps to 96.19 (7.49%)

FR0086 : -3.9 Bps to 96.68 (6.51%)  
FR0087 : -7.6 Bps to 94.82 (7.32%)  
FR0083 : 0.0 Bps to 98.90 (7.61%)  
FR0088 : 0.0 Bps to 90.27 (7.38%)

## CDS of Indonesia Bonds

CDS 2yr: -1.89% to 60.18  
CDS 5yr: +7.67% to 126.47  
CDS 10yr: -1.58% to 206.50

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.37%	-0.06%
USDIDR	15,012	0.10%
KRWIDR	11.43	-0.29%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,197.59	436.05	1.37%
S&P 500	4,023.61	102.56	2.62%
FTSE 100	7,348.23	41.95	0.57%
DAX	13,166.38	69.45	0.53%
Nikkei	27,715.75	60.54	0.22%
Hang Seng	20,670.04	(235.84)	-1.13%
Shanghai	3,275.76	(1.68)	-0.05%
KOSPI	2,415.53	2.57	0.11%
EIDO	22.82	0.33	1.47%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,734.2	16.9	0.98%
Crude Oil (\$/bbl)	97.26	2.28	2.40%
Coal (\$/ton)	411.50	(2.50)	-0.60%
Nickel LME (\$/MT)	21,813	242.0	1.12%
Tin LME (\$/MT)	24,344	(126.0)	-0.51%
CPO (MYR/Ton)	3,826	39.0	1.03%

## 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)	5.09	2.90	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	40.68%	27.00%	FDI (USD bn)	5.67	4.70
Imports Yoy	21.98%	30.74%	Business Confidence	104.82	105.33
Inflation Yoy	4.35%	3.55%	Cons. Confidence*	128.20	113.10

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	20:45	S&P Global US Manufacturing PMI	Jul.	52.3	52.0	52.7
22 - July	US	20:45	S&P Global US Services PMI	Jul.	47.0	52.7	52.7
	US	20:45	S&P Global US Composite PMI	Jul.	47.5	52.4	52.3
<b>Monday</b>	US	19:30	Chicago Fed. Nat. Activity Index	Jun.	-0.19	0.00	-0.19
25 - July	US	21:30	Dallas Fed. Manf. Activity	Jul.	-22.6	-18.5	-17.7
<b>Tuesday</b>	US	20:00	FHFA House Price Index MoM	May	1.4%	1.5%	1.5%
26 - July	US	21:00	Conf. Board Consumer Confidence	Jul.	95.7	97.0	98.4
	US	21:00	New Home Sales	Jun.	590K	655K	642K
	US	21:00	New Home Sales MoM	Jun.	-8.1%	-5.9%	6.3%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Jul. 22	-1.8%	--	-6.3%
27 - July	US	19:30	Wholesale Inventories MoM	Jun. P	1.9%	1.5%	1.9%
	US	19:30	Durable Goods Orders	Jun. P	1.9%	-0.4%	0.8%
	US	21:00	Pending Home Sales MoM	Jun.	-8.6%	-1.0%	0.4%
<b>Thursday</b>	US	01:00	FOMC Rate Decision	Jul.	2.25%-2.50%	2.25%-2.50%	1.50%-1.75%
28 - July	US	19:30	GDP Annualized QoQ	2Q22		0.5%	-1.6%
	US	19:30	Personal Consumption	2Q22		1.2%	1.8%
	US	19:30	Initial Jobless Claims	Jul. 23		250K	251K
<b>Friday</b>	US	19:30	Personal Income	Jun.		0.5%	0.5%
29 - July	US	19:30	Personal Spending	Jun.		0.9%	0.2%
	US	19:30	PCE Deflator MoM	Jun.		0.9%	0.6%
	US	19:30	PCE Deflator YoY	Jun.		6.7%	6.3%

Source: Bloomberg

## Research Division

### Head of Research

**Liza Camelia Suryanata**

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@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 51<sup>st</sup> 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

Fax : +62 21 5316 1687

**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

**Branch Office Surabaya:**

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

**Branch Office Makassar:**

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

**Branch Office Bandung:**

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

**Branch Office Denpasar:**

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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