

Morning Brief

Daily | July 19, 2022

Today's Outlook:

SUN Benchmark Mixed Early Week. The market movement at the beginning of the week was amid the wait and see attitude of investors. Previously, the rupiah exchange rate was stable and depreciated around the IDR15,000/USD level this July, with capital outflows still being monitored. Meanwhile, Indonesia's low core inflation in June at 2.63% YoY, below the median value of BI's annual target of 2%-4%, has led some parties to project Thursday's RDG results, BI will keep the BI 7DRRR at 3.50%.

Corporate Bonds

BFI Finance Bonds IDR 210 Billion Due Soon. The series of bonds that will mature is the Shelf-Registered Bonds V BFI Finance Indonesia Phase II 2021 Series A which will mature on August 16, 2022. Meanwhile, the Shelf-Registered Bonds V BFI Finance Indonesia Phase II 2021 Series A is part of the Shelf-Registered Bonds V BFI Finance Indonesia Phase II in 2021 with a principal amount of IDR 1 trillion. (Bisnis Indonesia)

Domestic Issue

BI Improves Forex Market Regulations. Bank Indonesia refined the provisions regarding the foreign exchange market by issuing Bank Indonesia Regulation (PBI) Number 24/7/PBI/2022 concerning Transactions in the Foreign Exchange Market. BI stated that the regulation was intended to respond to the dynamics of the global and domestic economy and to achieve ideal forex market conditions. To that end, BI issues an integrated regulation through the merging of provisions in the foreign exchange market into one that regulates the principles, flexibility of market participants and encourages optimal supply or demand for foreign exchange. (Kontan)

Recommendation

Government Targets Fresh Funds of IDR 22.5 Trillion. Based on DJPPR data, the Government is holding another Government Bond (SUN) auction today, setting an indicative target of IDR 15 trillion - IDR 22.5 trillion of the seven series offered. The seven series are: SPN03221019 (New Issue); SPN12230720 (New Issue); FR0090, FR0091, FR0093, FR0092, and FR0089. Meanwhile, the SUN auction this time, amid a wait and see attitude, investors are waiting for the results of the BI RDG on Thursday.

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

PRICE OF BENCHMARK SERIES

FR0090 : +2.4 Bps to 94.53 (6.48%)
FR0091 : -0.6 Bps to 93.17 (7.36%)
FR0093 : +0.3 Bps to 91.32 (7.33%)
FR0092 : +3.8 Bps to 96.16 (7.49%)

FR0086 : +1.6 Bps to 96.93 (6.43%)
FR0087 : +1.7 Bps to 94.27 (7.41%)
FR0083 : +9.3 Bps to 98.58 (7.64%)
FR0088 : -0.3 Bps to 90.28 (7.37%)

CDS of Indonesia Bonds

CDS 2yr: -2.07% to 70.17
CDS 5yr: -4.36% to 157.25
CDS 10yr: -1.67% to 233.46

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.38%	-0.01%
USDIDR	14,982	-0.07%
KRWIDR	11.37	0.57%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,072.61	(215.65)	-0.69%
S&P 500	3,830.85	(32.31)	-0.84%
FTSE 100	7,223.24	64.23	0.90%
DAX	12,959.81	95.09	0.74%
Nikkei	26,788.47	0.00	0.00%
Hang Seng	20,846.18	548.46	2.70%
Shanghai	3,278.10	50.04	1.55%
KOSPI	2,375.25	44.27	1.90%
EIDO	21.64	0.02	0.09%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,709.2	1.1	0.06%
Crude Oil (\$/bbl)	102.60	5.01	5.13%
Coal (\$/ton)	396.05	(10.50)	-2.58%
Nickel LME (\$/MT)	20,652	1267.0	6.54%
Tin LME (\$/MT)	24,719	(131.0)	-0.53%
CPO (MYR/Ton)	3,945	316.0	8.71%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
18 - July	—	—	—	—	—	—	—
Tuesday	EC	16:00	CPI YoY	Jun.		8.6%	8.1%
19 - July	EC	16:00	CPI MoM	Jun.		0.8%	0.8%
	US	19:30	Housing Starts	Jun.		1,590K	1,549K
	US	19:30	Building Permits	Jun.		1.666K	1,695K
Wednesday	GE	13:00	PPI YoY	Jun.		33.1%	33.6%
20 - July	US	18:00	MBA Mortgage Applications	Jul.		--	-1.7%
	US	21:00	Existing Home Sales	Jun.		5.40Mn	5.41Mn
	US	21:00	Existing Home Sales	Jun.		-0.2%	-3.4%
Thursday	ID	--	Bank Indonesia 7D Reverse Repo Rate	Jul.		3.50%	3.50%
21 - July	JP	06:50	Exports YoY	Jun.		17.2%	15.8%
	US	19:30	Initial Jobless Claims	Jul.		--	244K
	US	19:30	Continuing Claims	Jul.		--	1,331K
Friday	US	20:45	S&P Global US Manufacturing PMI	Jul.		51.0	52.7
22 - July	US	20:45	S&P Global US Services PMI	Jul.		52.0	52.7
	US	20:45	S&P Global US Composite PMI	Jul.		--	52.3

Source: Bloomberg

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