

# Morning Brief

Daily | July 12, 2022

## Today's Outlook:

**Investors responded negatively to June Retail Sales data**, which fell 2.1% MoM, as June's high inflation reached 0.61% MoM (Vs. May 0.40% MoM) and 4.35% YoY (Vs. May 3.55 %YoY). All SUN Benchmarks posted higher yields earlier in the week, with FR0091 at 7.28%. The rupiah exchange rate is still stable in the range of IDR15,000/USD.

## Corporate Bonds

**MEDC Issues IDR 3 Trillion Bonds.** PT Medco Energi Internasional Tbk (MEDC) will issue debt securities with a value of IDR 3 trillion. MEDC will use the proceeds from the bond issuance after deducting issuance costs to pay off four bonds maturing in rupiah in 2023 with a total value and to buyback some global bonds with a value of IDR 1.68 trillion. (Kontan)

## Domestic Issue

**Retail Sales Increase in June 2022.** Bank Indonesia said retail sales performance increased on an annual basis last June, although it fell 2.1% on a monthly basis. This increase was reflected in the Rllvm Sales Index (IPR), which was 229.1 or grew 15.4% YoY in June. The increase occur in clothings, food, beverage and tobacco, and the spare parts and accessories group. In the period of May 2022, the results of the Retail Sales Survey (RSS) indicated that retail sales continued to grow on an annual basis. This is reflected in the IPR in May 2022 which was recorded at 234.1, or grew by 2.9% YoY. (CNN Indonesia)

## Recommendation

**Lower Target.** The government has set an indicative target for the Sukuk auction this time at IDR 7 trillion, or lower than the previous Sukuk auction of IDR 9 trillion. On the other hand, the Government issues a number of SBN through the Private Placement scheme to meet the APBN. NHKSI Research sees that this auction is in the midst of waiting for the release of US inflation data and the discourse of an FFR increase of 75 bps at the end of July.

## PRICE OF BENCHMARK SERIES

FR0090 : +1.6 Bps to 95.57 (6.21%)  
FR0091 : +3.2 Bps to 93.72 (7.28%)  
FR0093 : +0.5 Bps to 91.38 (7.33%)  
FR0092 : +2.5 Bps to 97.68 (7.34%)

FR0086 : +2.3 Bps to 97.69 (6.19%)  
FR0087 : +1.9 Bps to 95.53 (7.20%)  
FR0083 : +0.2 Bps to 99.89 (7.50%)  
FR0088 : -4.0 Bps to 90.57 (7.34%)

## CDS of Indonesia Bonds

CDS 2yr: +2.78% to 65.97  
CDS 5yr: -0.09% to 145.13  
CDS 10yr: +1.99% to 221.81

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.30%	0.03%
USDIDR	14,973	-0.03%
KRWIDR	11.48	-0.31%

## Global Indices

Index	Last	Chg.	%
Dow Jones	31,173.84	(164.31)	-0.52%
S&P 500	3,854.43	(44.95)	-1.15%
FTSE 100	7,196.59	0.35	0.00%
DAX	12,832.44	(182.79)	-1.40%
Nikkei	26,812.30	295.11	1.11%
Hang Seng	21,124.20	(601.58)	-2.77%
Shanghai	3,313.58	(42.49)	-1.27%
KOSPI	2,340.27	(10.34)	-0.44%
EIDO	21.67	(0.15)	-0.69%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,734.0	(8.5)	-0.49%
Crude Oil (\$/bbl)	104.09	(0.70)	-0.67%
Coal (\$/ton)	419.00	5.25	1.27%
Nickel LME (\$/MT)	21,839	258.0	1.20%
Tin LME (\$/MT)	26,263	899.0	3.54%
CPO (MYR/Ton)	4,157	17.0	0.41%

## 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
<b>Monday</b>	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%
<b>Tuesday</b>	JP	06:50	PPI YoY	Jun.		8.9%	9.1%
12 - July	JP	06:50	PPI MoM	Jun.		0.6%	0.0%
<b>Wednesday</b>	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%
<b>Thursday</b>	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
<b>Friday</b>	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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