

# Morning Brief

Daily | July 8, 2022

## Today's Outlook:

**SUN Benchmark Mixed amid Cadev Increase.** The movement of the SUN Benchmark yesterday, amid the release of Cadev data in June which rose to the level of USD136.4 billion. Previously, we projected that Cadev in June could be under pressure again, due to the depreciation of the Rupiah, payment of USD denominated debt, and the absence of the June Global Bond issuance based on DJPPR data. For the record, Cadev as of May was at the level of USD135.6 billion. Next week, the Government will offer six series in the Sukuk auction, namely SPNS 10012023, PBS031, PBS032, PBS029, PBS034, and PBS033.

## Corporate Bonds

**GIAA: Right Issue Jumbo.** PT Garuda Indonesia Tbk (GIAA) will receive state capital participation through a rights issue. The government will carry out its rights issue and deposit new capital in Garuda Indonesia of IDR 7.5 trillion. The Company hopes that this can strengthen the capital structure and increase the ability of cash to meet working capital needs. (Kontan)

## Domestic Issue

**Tax Amnesty Volume II Raise Cadev.** Bank Indonesia (BI) reported that Indonesia's foreign exchange reserves at the end of June 2022 were recorded at USD 136.4 billion. This amount has increased compared to the position of foreign exchange reserves at the end of May 2022 of USD 135.6 billion. The increase in the position of foreign exchange reserves in June 2022 was influenced, among other things, by the issuance of government global bonds as well as tax and service revenues. To note, in early June 2022, Indonesia succeeded in issuing Samurai Bonds with a nominal benchmark size of JPY 81 billion or equivalent to IDR 9.04 trillion. (Kontan)

## Recommendation

**The issuance of JPY81B Samurai Bonds** propelled the June Cadev up to the level of USD136.4 Billion. This positive sentiment amidst the flatness of the rupiah at the psychological level of IDR15,000/USD. Investors are still watching the Core CPI of 2.63% YoY, which is still below the middle value of BI's 2%-4% target, making some market players see that BI will not necessarily increase the BI 7DRRR this July, even though the Headline CPI has exceeded BI's annual target. Next week, the Government will offer six series in the Sukuk auction, namely SPNS 10012023, PBS031, PBS032, PBS029, PBS034, and PBS033.

## 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

## PRICE OF BENCHMARK SERIES

FR0090 : +2.1 Bps to 95.60 (6.20%)  
FR0091 : -0.2 Bps to 93.96 (7.24%)  
FR0093 : -1.3 Bps to 91.35 (7.33%)  
FR0092 : +0.8 Bps to 98.13 (7.30%)

FR0086 : +2.6 Bps to 97.80 (6.15%)  
FR0087 : +2.3 Bps to 95.58 (7.19%)  
FR0083 : -0.5 Bps to 99.86 (7.51%)  
FR0088 : -0.0 Bps to 90.25 (7.38%)

## CDS of Indonesia Bonds

CDS 2yr: +1.77% to 66.42  
CDS 5yr: +2.34% to 149.25  
CDS 10yr: +1.47% to 224.16

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.27%	-0.00%
USDIDR	14,996	-0.01%
KRWIDR	11.54	0.56%

## Global Indices

Index	Last	Chg.	%
Dow Jones	31,384.55	346.87	1.12%
S&P 500	3,902.62	57.54	1.50%
FTSE 100	7,189.08	81.31	1.14%
DAX	12,843.22	248.70	1.97%
Nikkei	26,490.53	382.88	1.47%
Hang Seng	21,643.58	56.92	0.26%
Shanghai	3,364.40	9.05	0.27%
KOSPI	2,334.27	42.26	1.84%
EIDO	21.70	0.10	0.46%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,740.2	1.3	0.07%
Crude Oil (\$/bbl)	102.73	4.20	4.26%
Coal (\$/ton)	410.00	10.30	2.58%
Nickel LME (\$/MT)	21,535	(314.0)	-1.44%
Tin LME (\$/MT)	25,984	1272.0	5.15%
CPO (MYR/Ton)	4,140	85.0	2.10%

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	GE	13:00	Exports MoM	May	-0.5%	0.7%	4.4%
4 - July	GE	13:00	Imports MoM	May	2.7%	0.8%	3.6%
	EC	16:00	PPI MoM	May	0.7%	0.9%	1.2%
	EC	16:00	PPI YoY	May	36.3	36.6%	37.2%
<b>Tuesday</b>	CH	08:45	Caixin PMI Composite	Jun.	55.3	--	42.2
5 - July	CH	08:45	Caixin PMI Services	Jun.	54.5	49.6	41.4
	US	21:00	Factory Orders	May	1.6%	0.5%	0.7%
	US	21:00	Durable Goods Orders	May	0.8%	0.7%	0.7%
<b>Wednesday</b>	EC	16:00	Retail Sales MoM	May	0.2%	0.4%	-1.4%
6 - July	EC	16:00	Retail Sales YoY	May	0.2%	-0.3%	4.0%
	US	18:00	MBA Mortgage Applications	Jul.	-5.4%	--	0.7%
	US	20:45	S&P Global US Composite PMI	Jun.	52.3	--	51.2
<b>Thursday</b>	ID	10:00	Foreign Reserves	Jun.	\$136.40Bn	--	\$135.60Bn
7 - July	US	01:00	FOMC Meeting Minutes	Jun.	—	--	--
	US	19:30	Trade Balance	May	-\$84.7Bn	-\$84.9Bn	-\$86.7Bn
	US	19:30	Initial Jobless Claims	Jul.	235k	230k	231k
<b>Friday</b>	ID	--	Consumer Confidence Index	Jun.		--	128.9
8 - July	US	19:30	Change in NonFarm Payrolls	Jun.		250k	390k
	US	19:30	Unemployment Rate	Jun.		3.6%	3.6%
	US	21:00	Wholesale Inventories MoM	May		--	2.0%

Source: Bloomberg

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