

Morning Brief

Daily | Aug. 5, 2022

Today's Outlook:

SUN Benchmark Flat ahead of 2Q22 GDP Data Release. Apart from observing geopolitical tensions between China-Taiwan, investors are looking forward to the release of Indonesia's 2Q22 GDP data which is projected to grow 5.20% YoY (Vs. 1Q22 5.01% YoY). Benchmark SUN yield FR0091 edged up 1.2 bps to 7.19%.

Corporate Bonds

SMMA: Offers IDR1.84 Tn in Bonds. PT Sinar Mas Multiartha Tbk (SMMA) will conduct a public offering of the Sinar Mas Multiartha Phase II Shelf-Registered Bonds II 2022 worth IDR1.84 trillion. As for the details, series A is worth IDR429.35 billion, series B is worth IDR13.1 billion, series C is worth IDR305.131 billion, and series D is worth IDR1.102 trillion. (Emiten News)

Domestic Issue

Ban on CPO Exports Lowers BLU PNPB Revenue. The Ministry of Finance noted that the revenue of the Public Service Agency (BLU) fell 24% in 1H22 because the export of Crude Palm Oil (CPO) and its derivatives was banned from April 24 to May 22, 2022. The Director of Non-Tax State Revenue (PNBP) of the Ministry of Finance revealed that the ban on CPO exports lowers the revenue from the Palm Oil Plantation Fund Management Agency (BPDPKS) by 35% from IDR 39.07 trillion to IDR 25.22 trillion as of June 2022. (CNN Indonesia)

Recommendation

2Q22 GDP was more expansionary, positive catalyst for weekend SUN market. BI's Dovish commitment maintains economic growth momentum, making 2Q22 GDP projected to grow 5.17% YoY (Vs. 1Q22 5.01% YoY). Besides BI 7DRRR being maintained at a low level of 3.50%, the 2Q22 economy was supported by loose mobility which then boosted consumption and production levels during Ramadan and Eid.

PRICE OF BENCHMARK SERIES

FR0090 : -3.6 Bps to 94.69 (6.45%)
FR0091 : -1.2 Bps to 94.32 (7.19%)
FR0093 : -1.4 Bps to 94.39 (6.98%)
FR0092 : -0.4 Bps to 98.91 (7.22%)

FR0086 : -1.9 Bps to 97.46 (6.27%)
FR0087 : -2.8 Bps to 96.47 (7.05%)
FR0083 : -0.8 Bps to 101.31 (7.36%)
FR0088 : +0.3 Bps to 90.25 (7.38%)

CDS of Indonesia Bonds

CDS 2yr: -2.13% to 52.96
CDS 5yr: -1.48% to 101.41
CDS 10yr: -1.62% to 186.97

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.21%	-0.02%
USDIDR	14,933	0.13%
KRWIDR	11.40	0.19%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,726.82	(85.68)	-0.26%
S&P 500	4,151.94	(3.23)	-0.08%
FTSE 100	7,448.06	2.38	0.03%
DAX	13,662.68	75.12	0.55%
Nikkei	27,932.20	190.30	0.69%
Hang Seng	20,174.04	406.95	2.06%
Shanghai	3,189.04	25.37	0.80%
KOSPI	2,473.11	11.66	0.47%
EIDO	23.47	0.09	0.38%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,791.3	26.0	1.47%
Crude Oil (\$/bbl)	88.54	(2.12)	-2.34%
Coal (\$/ton)	385.00	(8.50)	-2.16%
Nickel LME (\$/MT)	22,210	(122.0)	-0.55%
Tin LME (\$/MT)	24,545	300.0	1.24%
CPO (MYR/Ton)	3,821	(43.0)	-1.11%

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	4.94%	4.35%	Cons. Confidence*	128.20	113.10

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Personal Income	Jun.	0.6%	0.5%	0.6%
<i>29 - Jul.</i>	US	19:30	Personal Spending	Jun.	1.1%	1.0%	0.3%
	US	19:30	PCE Deflator MoM	Jun.	1.0%	0.9%	0.6%
	US	19:30	PCE Deflator YoY	Jun.	6.8%	6.8%	6.3%
Monday	ID	07:30	S&P Global Indonesia PMI Mfg.	Jul.	51.3	--	50.2
<i>1 - Aug.</i>	ID	11:00	CPI MoM / YoY	Jul.	0.64%/4.94%	0.53%/4.82%	0.61%/4.35%
	ID	11:00	CPI Core YoY	Jul.	2.86%	2.86%	2.63%
	US	21:00	ISM Manufacturing	Jul.	52.8	52.0	53.0
Tuesday	--	--	--	--		--	--
<i>2 - Aug.</i>	--	--	--	--		--	--
Wednesday	US	18:00	MBA Mortgage Applications	Jul.	1.2%	--	-1.8%
<i>3 - Aug.</i>	US	21:00	Durable Goods Orders	Jun.	2.0%	1.9%	1.9%
	US	21:00	Factory Orders	Jun.	2.0%	1.2%	1.8%
Thursday	GE	13:00	Factory Orders MoM	Jun.		-1.7%	0.1%
<i>4 - Aug.</i>	US	19:30	Trade Balance	Jun.		USD81.5Bn	USD85.5Bn
	US	19:30	Initial Jobless Claims	Jul. 30		--	256K
Friday	ID	10:00	Foreign Reserves	Jul.		--	USD136.40Bn
<i>5 - Aug.</i>	ID	11:00	GDP QoQ / YoY	2Q22		3.50% / 5.20%	-0.96% / 5.01%
	GE	13:00	Industrial Production MoM	Jun.		-0.6%	0.2%

Source: Bloomberg

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