

# Morning Brief

Daily | Aug. 16, 2022

## Today's Outlook:

**SUN market is under pressure ahead of new New Issue offerings.** Yield FR91 is again trading above the 7% level. Today, the Government is offering new series at auction Tuesday, namely FR95 (6-Year), FR96 (11-Year), and FR97 (21-Year). Meanwhile, Indonesia's Trade Balance data for the July period was a surplus of +USD 4.2 billion (Vs. Jun. +USD5.1 billion). In addition to sloping prices for a number of global commodities, NHKSI Research sees that the economic slowdown in export destination countries has also reduced the July surplus.

## Corporate Bonds

**TLKM: Strengthens Data Center Line.** PT Telkom Indonesia Tbk (TLKM) injected capital of Sigma Cipta Caraka (Telkom Sigma) worth IDR410.68 billion. The loan was made to strengthen Telkom Sigma's capital structure. Meanwhile, Telkom Sigma is engaged in the business of consulting services for hardware, computer software, data storage centers (data center), and optimizing the utilization of Telkom Indonesia's resources. (Emiten News)

## Domestic Issue

**July 2022 Trade Balance Books USD 4.23 Bn Surplus.** Indonesia's trade balance once again posted a surplus in July 2022. Statistics Indonesia (BPS) noted that gains in the goods trade balance in the month under review amounted to USD 4.23 billion. The surplus in July 2022 was driven by the export value which was higher than the import value. The export value in July 2022 was recorded at USD 25.27 billion, while imports value was recorded at USD 21.35 billion. (Kontan)

## Recommendation

**Investors are watching the shrinking of the Trade Balance surplus.** NHKSI Research sees the relatively stagnant export volume, amid the normalization of prices for Indonesia's main export commodities such as CPO and Nickel, making investors need to pay close attention to the Trade Balance going forward. On the other hand, the PBOC unexpectedly cut the 1Y Medium-Term Lending Facility Rate Aug. from 2.85% to 2.75%. Zero Covid policy caused China's 2Q22 GDP to contract -2.60% QoQ (Vs. 1Q22 expansion +1.40% QoQ). China's Dovish attitude raises optimism that the Fed can achieve a soft landing for the US economy. In this week's FOMC Meeting Minutes, investors are waiting for some clues as to whether the Fed will raise the FFR by 50Bps or 75Bps at the FOMC Meeting in September.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.44%	5.01%
FX Reserve (USD bn)	132.20	136.40	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	5.09	2.90	Govt. Spending Yoy	-5.24%	-7.74%
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*	123.20	128.20

## PRICE OF BENCHMARK SERIES

FR0090 : +5.2 Bps to 95.15 (6.34%)  
FR0091 : +9.7 Bps to 95.25 (7.06%)  
FR0093 : +1.6 Bps to 94.64 (6.95%)  
FR0092 : +0.7 Bps to 100.08 (7.11%)

FR0086 : -4.7 Bps to 97.98 (6.12%)  
FR0087 : +2.6 Bps to 97.25 (6.93%)  
FR0083 : +2.5 Bps to 102.48 (7.24%)  
FR0088 : -0.9 Bps to 90.52 (7.35%)

## CDS of Indonesia Bonds

CDS 2yr: +1.77% to 41.22  
CDS 5yr: -5.12% to 97.58  
CDS 10yr: +1.38% to 163.36

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.08%	0.09%
USDIDR	14,743	0.51%
KRWIDR	11.28	0.15%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,912.44	151.39	0.45%
S&P 500	4,297.14	16.99	0.40%
FTSE 100	7,509.15	8.26	0.11%
DAX	13,816.61	20.76	0.15%
Nikkei	28,871.78	324.80	1.14%
Hang Seng	20,040.86	(134.76)	-0.67%
Shanghai	3,276.09	(0.80)	-0.02%
KOSPI	2,527.94	0.00	0.00%
EIDO	23.93	(0.31)	-1.28%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,779.7	(22.7)	-1.26%
Crude Oil (\$/bbl)	89.41	(2.68)	-2.91%
Coal (\$/ton)	407.50	(0.15)	-0.04%
Nickel LME (\$/MT)	22,013	(1023.0)	-4.44%
Tin LME (\$/MT)	24,721	(456.0)	-1.81%
CPO (MYR/Ton)	4,125	(282.0)	-6.40%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	UK	13:00	GDP QoQ	2Q	-0.1%	-0.2%	0.8%
<i>12 - Aug.</i>	UK	13:00	GDP YoY	2Q	2.9%	2.8%	8.7%
	US	19:30	Import Price Index MoM	Jul.	-1.4%	-1.0%	0.3%
	US	21:00	U. Of Mich. Sentiment	Aug. P	55.1	52.5	51.5
<b>Monday</b>	ID	11:00	Trade Balance	Jul.	+\$4.2Bn	+\$3.9Bn	+\$5.1Bn
<i>15 - Aug.</i>	ID	11:00	Exports YoY	Jul.	32.03%	30.73%	40.99%
	ID	11:00	Imports YoY	Jul.	39.86%	36.40%	21.98%
	US	19:30	Empire Manufacturing	Aug.	-31.3	5.0	11.1
<b>Tuesday</b>	US	19:30	Building Permits	Jul.		1,650K	1,696K
<i>16 - Aug.</i>	US	19:30	Housing Starts	Jul.		1,530K	1,559K
	US	20:15	Industrial Production MoM	Jul.		0.3%	-0.2%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Aug. 12		--	0.2%
<i>17 - Aug.</i>	US	19:30	Retail Sales Advance MoM	Jul.		0.1%	1.0%
<b>Thursday</b>	US	01:00	FOMC Meeting Minutes	Jul.		--	--
<i>18 - Aug.</i>	US	19:30	Initial Jobless Claims	Aug. 6		1,450K	1,428K
	US	21:00	Existing Home Sales	Jul.		4.89Mn	5.12Mn
<b>Friday</b>	ID	10:00	BoP Current Account Balance	2Q22		\$360Mn	\$200Mn
<i>19 - Aug.</i>	—	—	—	—	—	—	—

Source: Bloomberg

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