

# Morning Brief

Daily | Aug. 30, 2022

## Today's Outlook:

**Rupiah depreciated as DXY strengthened towards the 109 level.** The benchmark 10-year SUN recorded a yield increase of more than 10 bps. Yesterday's market movement, amid the rupiah exchange rate which is approaching the level of IDR14,900/USD. CPI Aug. which is projected to exceed 5% YoY, is one of the factors that BI begins to tighten Monetary Policy. Meanwhile, the absence of an increase in Administered Prices for the August period has the opportunity to make this period record -0.15% MoM deflation, making NHKSI Research view the BI 7DRRR +25Bps increase as the right action, while maintaining the momentum of FY22E GDP growth above 5%.

## Corporate Bonds

**Global Mediacom Issues IDR 1 Trillion Bonds and Sukuk.** PT Global Mediacom Tbk (BMTR) will issue bonds totaling IDR 1 trillion. These notes consist of bonds with a value of IDR 600 billion and sukuk of IDR 400 billion. Global Mediacom will issue Global Mediacom Phase II 2022 Shelf-Registered Bonds III in three series. BMTR will also issue Global Mediacom Phase II Sustainable Sukuk Ijarah III 2022 in three series. (Kontan)

## Domestic Issue

**Indonesia to Shift USD1.6Bn Portion of Fuel Subsidy Budget.** Indonesia will reallocate 24.17 trillion rupiah (USD1.62Bn), or nearly 5%, of its fuel subsidy budget to social spending, including cash handouts to 20.65 million households, its finance minister said on Monday. The move comes amid reports that the government has been considering raising subsidised fuel prices to manage rising fiscal pressure due to high global energy prices. (Reuters)

## Recommendation

**Double Combo of inflation and rising fuel prices,** challenges the SUN market entering the month of September. In addition to Powell's aggressive Hawkish speech at the Jackson Hole symposium last Friday, the tug of war on the increase in the amount of Peralite and Solar subsidized fuel prices weakened the benchmark SUN. Meanwhile, the current market movement, amid the lack of economic data sentiment.

## PRICE OF BENCHMARK SERIES

FR0090 : +8.6 Bps to 94.00 (6.65%)  
FR0091 : +10.7 Bps to 94.64 (7.15%)  
FR0093 : +7.2 Bps to 93.35 (7.10%)  
FR0092 : +0.2 Bps to 100.01 (7.12%)

FR0086 : +8.3 Bps to 97.23 (6.38%)  
FR0087 : +4.6 Bps to 96.52 (7.05%)  
FR0083 : +2.7 Bps to 102.83 (7.21%)  
FR0088 : +0.0 Bps to 94.50 (6.87%)

## CDS of Indonesia Bonds

CDS 2yr: +6.39% to 48.85  
CDS 5yr: +5.49% to 109.20  
CDS 10yr: +4.80% to 185.23

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.18%	0.11%
USDIDR	14,897	0.53%
KRWIDR	11.03	-0.86%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,098.99	(184.41)	-0.57%
S&P 500	4,030.61	(27.05)	-0.67%
FTSE 100	7,427.31	0.00	0.00%
DAX	12,892.99	(78.48)	-0.61%
Nikkei	27,878.96	(762.42)	-2.66%
Hang Seng	20,023.22	(146.82)	-0.73%
Shanghai	3,240.73	4.51	0.14%
KOSPI	2,426.89	(54.14)	-2.18%
EIDO	23.61	0.05	0.21%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,737.1	(1.1)	-0.06%
Crude Oil (\$/bbl)	97.01	3.95	4.24%
Coal (\$/ton)	422.75	5.35	1.28%
Nickel LME (\$/MT)	21,633	(44.0)	-0.20%
Tin LME (\$/MT)	24,750	440.0	1.81%
CPO (MYR/Ton)	4,174	2.0	0.05%

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.75%	3.50%	Real GDP	5.44%	5.01%
FX Reserve (USD bn)	132.20	136.40	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	5.15	5.09	Govt. Spending Yoy	-5.24%	-7.74%
Exports Yoy	32.03%	40.68%	FDI (USD bn)	4.28	4.70
Imports Yoy	39.86%	21.98%	Business Confidence	104.82	105.33
Inflation Yoy	4.94%	4.35%	Cons. Confidence*	123.20	128.20

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	19:30	Personal Income	Jul.	0.2%	0.6%	0.7%
26 - Aug.	US	19:30	Personal Spending	Jul.	0.1%	0.5%	1.0%
<b>Monday</b>	—	—	—	—	—	—	—
29 - Aug.	—	—	—	—	—	—	—
<b>Tuesday</b>	GE	19:00	CPI MoM	Aug. P		0.3%	0.9%
30 - Aug.	GE	19:00	CPI YoY	Aug. P		7.8%	7.5%
	US	21:00	Conf. Board Consumer Confidence	Aug.		97.7	95.7
<b>Wednesday</b>	CH	08:30	Manufacturing PMI	Aug.		49.3	49.0
31 - Aug.	US	18:00	MBA Mortgage Applications	Aug. 26		--	-1.2%
	US	19:15	ADP Employment Change	Aug.		300K	--
	US	20:45	MNI Chicago PMI	Aug.		52.5	52.1
<b>Thursday</b>	ID	07:30	S&P Global Indonesia PMI Mfg	Aug.		--	51.3
1 - Sept.	ID	11:00	CPI YoY	Aug.		5.10%	4.94%
	ID	11:00	CPI MoM	Aug.		-0.15%	0.64%
	ID	11:00	CPI Core YoY	Aug.		2.95%	2.86%
<b>Friday</b>	US	19:30	Change in Nonfarm Payrolls	Aug.		300K	528K
2 - Sept.	US	19:30	Unemployment Rate	Aug.		3.5%	3.5%
	US	21:00	Factory Orders	Jul.		0.2%	2.0%
	US	21:00	Durable Goods Orders	Jul. F		0.0%	0.0%

Source: Bloomberg

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