

Morning Brief

Daily | Aug. 26, 2022

Today's Outlook:

Investor response was mixed, amid the August CPI Headline survey exceeding 5% YoY. BI's 7DRRR +25 bps hike in August provides certainty amid rising domestic inflation. Based on a Bloomberg survey, August's YoY Headline CPI surpassed the 5% level (Vs. Jul. 4.94%), and Core YoY CPI neared the 3% level (Vs. Jul. 2.86%). However, the absence of an increase in Administered Prices and the decline in a number of food commodity prices in August made NHKSI Research project that this period has the opportunity to record deflation.

Corporate Bonds

EXCL: Profit Down 14.12% in 1H22. PT XL Axiata Tbk (EXCL) recorded a net profit of IDR614.91 billion in 1H22 or down 14.12% YoY. Meanwhile, revenue grew 8.4% to IDR14.074 trillion, supported by an increase in data and digital services revenue by 9.01% to IDR12.866 trillion. (Emiten News)

Domestic Issue

WMUU: Profit Slashed 15.76% in 1H22. PT Widodo Makmur Unggas Tbk (WMUU) recorded net profit of IDR74,451 billion in 1H22 or decreased by 15.76% YoY. Meanwhile, sales declined by 1.7% to IDR1.286 trillion, supported by an increase in carcass sales of 0.7% to IDR1.218 trillion. (Emiten News)

Recommendation

The effect of the Jackson Hole symposium results will be seen next Monday, making a number of investors to take profit. The annual Jackson Hole symposium began on Thursday, and the Fed chair is scheduled to give a speech on Friday. Market expectations are split, assuming US Headline CPI Jun. YoY has peaked +9.1% (Vs. Jul. +8.5%), some economists project September FFR increase of only +50Bps to 2.75%-3.00%.

PRICE OF BENCHMARK SERIES

FR0090 : -0.6 Bps to 94.31 (6.56%)
FR0091 : +1.4 Bps to 95.36 (7.04%)
FR0093 : -0.3 Bps to 94.00 (7.03%)
FR0092 : -0.3 Bps to 99.95 (7.12%)

FR0086 : +6.2 Bps to 97.45 (6.29%)
FR0087 : +1.3 Bps to 96.86 (6.99%)
FR0083 : -1.8 Bps to 103.07 (7.18%)
FR0088 : -0.0 Bps to 94.80 (6.83%)

CDS of Indonesia Bonds

CDS 2yr: -5.73% to 44.37
CDS 5yr: -3.99% to 102.69
CDS 10yr: -4.59% to 171.99

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.07%	0.02%
USDIDR	14,823	-0.17%
KRWIDR	11.10	0.36%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,291.78	322.55	0.98%
S&P 500	4,199.12	58.35	1.41%
FTSE 100	7,479.74	8.23	0.11%
DAX	13,271.96	51.90	0.39%
Nikkei	28,479.01	165.54	0.58%
Hang Seng	19,968.38	699.64	3.63%
Shanghai	3,246.25	31.05	0.97%
KOSPI	2,477.26	29.81	1.22%
EIDO	23.93	0.01	0.04%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,758.7	7.5	0.43%
Crude Oil (\$/bbl)	92.52	(2.37)	-2.50%
Coal (\$/ton)	417.50	4.90	1.19%
Nickel LME (\$/MT)	21,677	323.0	1.51%
Tin LME (\$/MT)	24,310	30.0	0.12%
CPO (MYR/Ton)	4,258	(50.0)	-1.16%

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
Friday	ID	10:00	BoP Current Account Balance	2Q22	+\$3.9Bn	+\$4.5Bn	+\$407Mn
19 - Aug.	—	—	—	—	—	—	—
Monday	CH	08:15	1Y Loan Prime Rate	Aug.	3.65%	3.60%	3.70%
22 - Aug.	CH	08:15	5Y Loan Prime Rate	Aug.	4.30%	4.35%	4.45%
Tuesday	ID	09:00	BI 7DRRR	Aug.	3.75%	3.50%	3.50%
23 - Aug.	US	21:00	S&P Global US Manufacturing PMI	Aug.	51.3	51.8	52.2
	US	21:00	New Home Sales	Jul.	511K	575K	585K
Wednesday	US	18:00	MBA Mortgage Applications	Aug.	-1.2%	--	-2.3%
24 - Aug.	US	19:30	Durable Goods Orders	Jul.	0.0%	0.8%	2.2%
Thursday	US	19:30	Initial Jobless Claims	Aug.	243K	252K	245K
25 - Aug.	US	19:30	GDP Annualized QoQ	2Q22	0.6%	-0.7%	-0.9%
Friday	US	19:30	Personal Income	Jul.		0.6%	0.6%
26 - Aug.	US	19:30	Personal Spending	Jul.		0.4%	1.1%

Source: Bloomberg

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