

Morning Brief

Daily | Aug. 15, 2022

Today's Outlook:

SUN market was mixed at the weekend, amidst a positive response to the sloping of US Consumer and Producer level inflation, which may potentially ease the Fed's Hawkish stance. Average US retail fuel price was under USD4/Gallon, the lowest since March 2022. As a note, fuel price broke record at USD5.02/Gallon last June. Both YoY US Headline and Core CPI in July declined to 8.5% (Vs. Jun. 9.1%) and 5.9% (Vs. Jun. 5.9%). Meanwhile, MoM US Final Demand PPI deflated 0.5% (Vs. Jun. +1.0%). The decline of PPI and CPI increased the bet in Futures market that FFR increase in September will be +50Bps (Vs. Prev. +75Bps).

Corporate Bonds

BTN Announces Earnings for PUB IV Bonds. PT Bank Tabungan Negara (Persero) Tbk. (BBTN) announced the realization of the Continuous Public Offering of Bank BTN's Shelf-Registered Bonds IV with Fixed Interest Rates (PUB IV) of IDR 2.5 trillion. This PUB BTN achievement is equivalent to 31.25% of the initial PUB IV draft that was prepared, which was IDR 8 trillion. Based on the BBTN management announcement dated August 12, 2022, PUB IV worth IDR 8 trillion is designed to be issued in 2 years. This period covers 11 August 2020 to 11 August 2022. (Bisnis Indonesia)

Domestic Issue

Energy Subsidy Realization at IDR 88.7 Trillion. The Ministry of Finance (Kemenkeu) has disbursed energy subsidy budget of IDR 88.7 trillion for until July 31, 2022. This realization increased by 27.5% compared to the same period last year at IDR 69.52 trillion. The increase in the realization of energy subsidies is because the government continues to hold back energy prices when there is an increase in global oil prices. In this case, the largest is for subsidies for fuel oil (BBM) pertalite, diesel, and 3Kg LPG. (CNN Indonesia)

Recommendation

New Issue FR95, FR96 and FR97 in SUN auction. This week, the Government offered a new series at auction Tuesday, namely FR95 (6-Year), FR96 (11-Year), and FR97 (21-Year). Meanwhile, Bloomberg data expects July Indonesian Trade Balance to book a surplus of +USD3.8 billion (Vs. Jun. +5.1 billion). Other than the decline of some global commodity prices, NHKSI Research sees the economic slowdown of export destination countries will push the July surplus down. The survey also projects July YoY export growth to fall at +30.7% (Vs. Jun. +40.7%). However, July YoY import is expected to grow +33.3% (Vs. Jun. 21.9%).

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 : +2.0 Bps to 95.35 (6.28%)
FR0091 : +1.8 Bps to 95.90 (6.96%)
FR0093 : -0.2 Bps to 94.78 (6.94%)
FR0092 : -5.3 Bps to 100.16 (7.10%)

FR0086 : -9.7 Bps to 97.83 (6.16%)
FR0087 : +1.6 Bps to 97.41 (6.90%)
FR0083 : +0.3 Bps to 102.74 (7.22%)
FR0088 : -2.9 Bps to 90.44 (7.36%)

CDS of Indonesia Bonds

CDS 2yr: -4.28% to 40.50
CDS 5yr: -2.47% to 102.85
CDS 10yr: -3.53% to 161.13

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.98%	0.02%
USDIDR	14,668	-0.68%
KRWIDR	11.26	-0.53%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,761.05	424.38	1.27%
S&P 500	4,280.15	72.88	1.73%
FTSE 100	7,500.89	34.98	0.47%
DAX	13,795.85	101.34	0.74%
Nikkei	28,546.98	727.65	2.62%
Hang Seng	20,175.62	93.19	0.46%
Shanghai	3,276.89	(4.78)	-0.15%
KOSPI	2,527.94	4.16	0.16%
EIDO	24.24	0.14	0.58%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,802.4	12.7	0.71%
Crude Oil (\$/bbl)	92.09	(2.25)	-2.38%
Coal (\$/ton)	407.65	6.65	1.66%
Nickel LME (\$/MT)	23,036	(623.0)	-2.63%
Tin LME (\$/MT)	25,177	(208.0)	-0.82%
CPO (MYR/Ton)	4,407	143.0	3.35%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	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
Monday	ID	11:00	Trade Balance	Jul.		+\$3.9Bn	+\$5.1Bn
<i>15 - Aug.</i>	ID	11:00	Exports YoY	Jul.		30.73%	40.68%
	ID	11:00	Imports YoY	Jul.		36.40%	21.98%
	US	19:30	Empire Manufacturing	Aug.		5.0	11.1
Tuesday	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%
Wednesday	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%
Thursday	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
Friday	ID	10:00	BoP Current Account Balance	2Q22		\$360Mn	\$200Mn
<i>19 - Aug.</i>	—	—	—	—	—	—	—

Source: Bloomberg

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