

Morning Brief

Daily | Aug. 12, 2022

Today's Outlook:

Yield FR0091 is below 7%. Investors responded positively to the August BI 7DRRR survey, which remained at 3.50%. Bloomberg data project that the BI 7DRRR in August will remain at 3.50%. NHKSI Research sees that the government is still maintaining the momentum of economic growth, taking advantage of BI's low interest rates. The government is optimistic that FY22E GDP will grow +5.2%, after 1Q22 and 2Q22 grew 5.01% YoY and 5.44% YoY, respectively.

Corporate Bonds

EXCL: Approved for Right Issue. The EGMS of PT XL Axiata Tbk (EXCL) approved capital addition through a rights issue of a maximum of 2,750,000,000 new shares at a par value of IDR100 per share. The Company revealed that this corporate action can strengthen the capital structure in order to develop its business activities. (Emiten News)

Domestic Issue

State Budget Surplus at IDR 106 Trillion in July 2022. The Minister of Finance said that the state budget until July 2022 once again recorded a positive performance. This is reflected in the state budget which is back to a surplus of IDR 106.1 trillion or 0.57% of gross domestic product (GDP). This realization made the state finances in a surplus for seven consecutive months since January 2022. This APBN surplus occurred due to state revenues which reached IDR 1,551 trillion or grew 50.3% YoY, higher than the realization of expenditures at IDR 1,444.8 trillion as of July 31, 2022. (CNN Indonesia)

Recommendation

Producer level deflation, confirms that Consumer level inflation has reached its peak. US Final Demand PPI July MoM posted -0.5% deflation (Vs. Jun. +1.0%), as Headline CPI eased to 8.5% (Vs. Jun. 9.1) over the same period. Gasoline demand sloped in the summer, pushing the average retail price below USD4/Gallon or the lowest level since March 2022, while keeping US inflation under control. For the record, the price of gasoline had reached a record USD5.02/Gallon last June. The PPI and CPI ramps up bets on the Futures market, that the September FFR rises by +50Bps (Vs. Prev. +75Bps).

PRICE OF BENCHMARK SERIES

FR0090 : -14.7 Bps to 95.42 (6.26%)
FR0091 : -13.4 Bps to 96.02 (6.94%)
FR0093 : -4.0 Bps to 94.77 (6.94%)
FR0092 : +0.2 Bps to 99.61 (7.16%)

FR0086 : -0.0 Bps to 97.52 (6.26%)
FR0087 : -9.3 Bps to 97.51 (6.89%)
FR0083 : -9.7 Bps to 102.77 (7.21%)
FR0088 : +0.8 Bps to 90.21 (7.39%)

CDS of Indonesia Bonds

CDS 2yr: -0.37% to 42.32
CDS 5yr: -3.22% to 105.47
CDS 10yr: -0.22% to 167.03

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.96%	-0.13%
USDIDR	14,768	-0.70%
KRWIDR	11.32	-0.22%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,336.67	27.16	0.08%
S&P 500	4,207.27	(2.97)	-0.07%
FTSE 100	7,465.91	(41.20)	-0.55%
DAX	13,694.51	(6.42)	-0.05%
Nikkei	27,819.33	0.00	0.00%
Hang Seng	20,082.43	471.59	2.40%
Shanghai	3,281.67	51.65	1.60%
KOSPI	2,523.78	42.90	1.73%
EIDO	24.10	0.10	0.42%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,789.7	(2.7)	-0.15%
Crude Oil (\$/bbl)	94.34	2.41	2.62%
Coal (\$/ton)	401.00	2.35	0.59%
Nickel LME (\$/MT)	23,659	1169.0	5.20%
Tin LME (\$/MT)	25,385	844.0	3.44%
CPO (MYR/Ton)	4,264	153.0	3.72%

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

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Jul.	USD132.20Bn	--	USD136.40Bn
<i>5 - Aug.</i>	ID	11:00	GDP QoQ / YoY	2Q22	3.72%/5.44%	3.47% / 5.17%	-0.95% / 5.01%
	GE	13:00	Industrial Production MoM	Jun.	0.4%	-0.3%	-0.1%
Monday	ID	--	Consumer Confidence Index	Jul.	123.2	--	128.2
<i>8 - Aug.</i>	--	--	--	--	--	--	--
Tuesday	--	--	--	--	--	--	--
<i>9 - Aug.</i>	--	--	--	--	--	--	--
Wednesday	US	18:00	MBA Mortgage Applications	Aug. 5	0.2%	--	1.2%
<i>10 - Aug.</i>	US	19:30	CPI MoM	Jul.	0.0%	0.2%	1.3%
	US	19:30	CPI Ex. Food and Energy MoM	Jul.	0.3%	0.5%	0.7%
	US	19:30	CPI YoY	Jul.	8.5%	8.7%	9.1%
Thursday	US	19:30	PPI Ex. Food and Energy YoY	Jul.	7.6%	7.7%	8.4%
<i>11 - Aug.</i>	US	19:30	PPI Final Demand MoM	Jul.	-0.5%	0.2%	1.0%
	US	19:30	PPI Ex. Food and Energy MoM	Jul.	0.2%	0.4%	0.4%
	US	19:30	PPI Final Demand YoY	Jul.	9.8%	10.3%	11.3%
Friday	UK	13:00	GDP QoQ	2Q		-0.1%	0.8%
<i>12 - Aug.</i>	UK	13:00	GDP YoY	2Q		3.0%	8.7%
	US	19:30	Import Price Index MoM	Jul.		-0.9%	0.2%
	US	21:00	U. Of Mich. Sentiment	Aug. P		52.0	51.5

Source: Bloomberg

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