

Morning Brief

Daily | Aug. 2, 2022

Today's Outlook:

BI still has room to hold BI 7DRRR. A number of domestic economic data supported the market yesterday, such as: S&P Global Indonesia Manufacturing PMI in July which continued to expand or at the level of 51.3 (Jun. 50.2); and July's Core CPI YoY of 2.86% (Jun. 2.63%) or still within BI's target of 2%-4%, making BI still have room to hold back the BI 7DRRR. On the other hand, investors are still keeping an eye on the July YoY CPI Headline which reached 4.94%, exceeding the upper limit of BI's 4.5%-4.6% target.

Corporate Bonds

SMF Ready to Pay Off Bonds. PT Sarana Multigriya Finansial (Persero) or SMF has prepared funds for repayment of principal and interest on Shelf-Registered Bonds V Phase II Series A Year 2019 with a principal of Rp. 1.42 Trillion with an interest of Rp. 27.7 billion which matures on August 28, 2022. The Company also confirms that the bonds issued by SMF have an idAAA rating obtained from PT Pemeringkat Efek Indonesia (Pefindo). (Kontan)

Domestic Issue

Indonesia Inflation Jumps to 7-Year High. Indonesia's inflation accelerated to a seven-year high driven by soaring food prices, data showed on Monday, sparking calls for an interest rate hike, though the central bank governor signaled he was unperturbed as core inflation remained low. At 4.94%, the July inflation rate was the highest since October 2015, reflecting rising prices of food, household fuel and airfare, and hikes in some electricity tariffs. (Reuters)

Recommendation

The increase in Headline Inflation colored the SUN auction. The government again held an auction of Government Securities (SUN) Tuesday, setting an indicative target of IDR 15 trillion to IDR 22.5 trillion, offering seven series. The seven series are: SPN03221102, SPN12230413, FR0090, FR0091, FR0093, FR0092, and FR0089.

PRICE OF BENCHMARK SERIES

FR0090 : -4.5 Bps to 94.93 (6.38%)
FR0091 : +0.7 Bps to 94.88 (7.11%)
FR0093 : +3.1 Bps to 95.49 (6.86%)
FR0092 : 0.0 Bps to 97.15 (7.39%)

FR0086 : -5.8 Bps to 97.46 (6.27%)
FR0087 : -3.8 Bps to 96.69 (7.02%)
FR0083 : -0.4 Bps to 101.45 (7.35%)
FR0088 : +0.3 Bps to 90.23 (7.38%)

CDS of Indonesia Bonds

CDS 2yr: +6.84% to 54.62
CDS 5yr: +3.77% to 102.75
CDS 10yr: +5.38% to 191.78

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.13%	0.00%
USDIDR	14,873	0.27%
KRWIDR	11.40	-0.10%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,798.40	(46.73)	-0.14%
S&P 500	4,118.63	(11.66)	-0.28%
FTSE 100	7,413.42	(10.01)	-0.13%
DAX	13,479.63	(4.42)	-0.03%
Nikkei	27,993.35	191.71	0.69%
Hang Seng	20,165.84	9.33	0.05%
Shanghai	3,259.96	6.72	0.21%
KOSPI	2,452.25	0.75	0.03%
EIDO	23.23	0.12	0.52%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,772.2	6.2	0.35%
Crude Oil (\$/bbl)	93.89	(4.73)	-4.80%
Coal (\$/ton)	405.00	(2.90)	-0.71%
Nickel LME (\$/MT)	23,575	(44.0)	-0.19%
Tin LME (\$/MT)	24,900	(147.0)	-0.59%
CPO (MYR/Ton)	4,060	(229.0)	-5.34%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.01%	3.51%
FX Reserve (USD bn)	136.40	135.60	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	5.09	2.90	Govt. Spending Yoy	-7.74%	5.25%
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*	128.20	113.10

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Personal Income	Jun.	0.6%	0.5%	0.6%
<i>29 - Jul.</i>	US	19:30	Personal Spending	Jun.	1.1%	1.0%	0.3%
	US	19:30	PCE Deflator MoM	Jun.	1.0%	0.9%	0.6%
	US	19:30	PCE Deflator YoY	Jun.	6.8%	6.8%	6.3%
Monday	ID	07:30	S&P Global Indonesia PMI Mfg.	Jul.	51.3	--	50.2
<i>1 - Aug.</i>	ID	11:00	CPI MoM / YoY	Jul.	0.64%/4.94%	0.53%/4.82%	0.61%/4.35%
	ID	11:00	CPI Core YoY	Jul.	2.86%	2.86%	2.63%
	US	21:00	ISM Manufacturing	Jul.	52.8	52.0	53.0
Tuesday	--	--	--	--		--	--
<i>2 - Aug.</i>	--	--	--	--		--	--
Wednesday	US	18:00	MBA Mortgage Applications	Jul.		--	-1.8%
<i>3 - Aug.</i>	US	21:00	Durable Goods Orders	Jun.		--	1.9%
	US	21:00	Factory Orders	Jun.		0.8%	1.6%
Thursday	GE	13:00	Factory Orders MoM	Jun.		-1.7%	0.1%
<i>4 - Aug.</i>	US	19:30	Trade Balance	Jun.		USD81.5Bn	USD85.5Bn
	US	19:30	Initial Jobless Claims	Jul. 30		--	256K
Friday	ID	10:00	Foreign Reserves	Jul.		--	USD136.40Bn
<i>5 - Aug.</i>	ID	11:00	GDP QoQ / YoY	2Q22		3.50% / 5.20%	-0.96% / 5.01%
	GE	13:00	Industrial Production MoM	Jun.		-0.6%	0.2%

Source: Bloomberg

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