

Morning Brief

Daily | Aug. 8, 2022

Today's Outlook:

The economy grew impressively, BI remained Dovish. Indonesia's GDP 2Q22 YoY grew expansive up to 5.44% (Vs. Surv. 5.17%; 1Q22 5.01%), reassuring BI to remain Dovish and maintain the momentum of the gradual domestic economy recovery, in addition to Core CPI which was maintained below 3%YoY. Meanwhile, investors are still watching the July Foreign Reserves, which fell 3% MoM to USD132.2B, slightly reducing BI's room amidst the volatility of the Rupiah at IDR14,830/USD-IDR14,940/USD in early August.

Corporate Bonds

KAI and INKP Issue Bonds and Sukuk Today. PT Kereta Api Indonesia (Persero) will officially list its Shelf-Registered Bonds I and Phase I/2022 Shelf-Registered Sukuk on the Indonesia Stock Exchange (IDX) on Monday (8/8/2022). But not only KAI, Sinar Mas Group Issuers, PT Indah Kiat Pulp & Paper Tbk. (INKP) will issue bonds and sukuk on the same day. KAI's bonds and sukuk have a total nominal value of IDR 2 trillion and both instruments have earned a double A plus or AA+ rating from PT Pemeringkat Efek Indonesia (Pefindo). Meanwhile, the Phase I 2022 Sustainable Sukuk Ijarah for Indonesian Railways is IDR 500 billion from the target of IDR 800 billion. (Bisnis Indonesia)

Domestic Issue

Indonesian Economy Grows 5.44%, Administration and Education Services Declines. Indonesia's economic growth in 2Q22 reached 5.44% YoY, higher than the previous period of 5.01%. However, business sectors such as government administration and education services fell by -1.73% and -1.15%, respectively. Of the total business sectors, transportation and warehouse grew the highest at 21.27% driven by improved mobility. (CNN Indonesia)

Recommendation

US inflation reaches its peak. Brent and WTI crude oil October 2022 contract fell more than 9% in the past week, showing that inflation has reached its peak. Bloomberg survey projects US July CPI Headline slopes to 8.8% YoY (Vs. Jun. 9.1% YoY). Fears of a global recession suppresses Brent and WTI oil prices to USD94,12/Barrel and USD87,56/Barrel, the lowest level compared to prices before the Russia-Ukraine conflict last February.

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)	132.20	136.40	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

PRICE OF BENCHMARK SERIES

FR0090 : -4.6 Bps to 94.87 (6.40%)
FR0091 : -6.0 Bps to 94.71 (7.13%)
FR0093 : -0.2 Bps to 94.23 (6.98%)
FR0092 : -3.1 Bps to 99.24 (7.19%)

FR0086 : -2.4 Bps to 97.54 (6.25%)
FR0087 : -3.8 Bps to 96.70 (7.02%)
FR0083 : -1.6 Bps to 101.46 (7.34%)
FR0088 : -0.8 Bps to 90.32 (7.37%)

CDS of Indonesia Bonds

CDS 2yr: -2.79% to 51.48
CDS 5yr: -3.05% to 98.31
CDS 10yr: -2.30% to 182.66

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.16%	-0.06%
USDIDR	14,893	-0.27%
KRWIDR	11.47	0.65%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,803.47	76.65	0.23%
S&P 500	4,145.19	(6.75)	-0.16%
FTSE 100	7,439.74	(8.32)	-0.11%
DAX	13,573.93	(88.75)	-0.65%
Nikkei	28,175.87	243.67	0.87%
Hang Seng	20,201.94	27.90	0.14%
Shanghai	3,227.03	37.99	1.19%
KOSPI	2,490.80	17.69	0.72%
EIDO	23.46	(0.01)	-0.04%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,775.5	(15.8)	-0.88%
Crude Oil (\$/bbl)	89.01	0.47	0.53%
Coal (\$/ton)	361.00	(24.00)	-6.23%
Nickel LME (\$/MT)	22,216	6.0	0.03%
Tin LME (\$/MT)	24,455	(90.0)	-0.37%
CPO (MYR/Ton)	3,878	57.0	1.49%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Jul.	USD132.20Bn	--	USD136.40Bn
5 - Aug.	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.		--	128.2
8 - Aug.	--	--	--	--	--	--	--
Tuesday	--	--	--	--	--	--	--
9 - Aug.	--	--	--	--	--	--	--
Wednesday	US	18:00	MBA Mortgage Applications	Aug. 5		--	1.2%
10 - Aug.	US	19:30	CPI MoM	Jul.		0.2%	1.3%
	US	19:30	CPI Ex. Food and Energy MoM	Jul.		0.5%	0.7%
	US	19:30	CPI YoY	Jul.		8.8%	9.1%
Thursday	US	19:30	PPI Ex. Food and Energy YoY	Jul.		--	8.2%
11 - Aug.	US	19:30	PPI Final Demand MoM	Jul.		0.3%	1.1%
	US	19:30	PPI Ex. Food and Energy MoM	Jul.		0.4%	0.4%
	US	19:30	PPI Final Demand YoY	Jul.		10.3%	11.3%
Friday	UK	13:00	GDP QoQ	2Q		-0.1%	0.8%
12 - Aug.	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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