

Morning Brief

Daily | Sept. 15, 2022

Today's Outlook:

Investors responded negatively to speculations of a September FFR increase of +100Bps at the FOMC Meeting next week. CME FedWatch starts projecting a +100Bps September FFR increase probability of 18%, from the previous +75Bps 82% increase, responding negatively to the August YoY US Core Inflation rate to 6.3% (Vs. Surv. 6.1%; Jul. 5.9%). Core Inflation is the Fed's benchmark in setting the FFR amount.

Corporate Bonds

WIKA: Cuts Target for New Contracts. PT Wijaya Karya Tbk (WIKA) lowered the target for new contracts throughout 2022 to IDR39 trillion from the previous IDR42.57 trillion. Meanwhile, to date, new contracts have reached IDR18 trillion and the company have only received 2 IKN projects worth IDR1.1 trillion originating from toll roads and flats for IKN infrastructure workers using modular. (Emiten News)

Domestic Issue

Temporary 2023 State Budget, IDR 598.2 Trillion Deficit. The 2023 State Revenue and Expenditure Budget (APBN) has begun to be revealed. This is after the DPR's Budget Agency (Banggar) agreed on the temporary posture of the 2023 APBN. Minister of Finance Sri Mulyani Indrawati mentioned the agreement on the 2023 APBN posture. The 2023 APBN deficit was agreed at 2.84% of gross domestic product (GDP) or IDR 598.2 trillion. (Kontan)

Recommendation

Domestic economic data. Today, investors are looking forward to the release of domestic economic data, Trade Balance Aug. projected a surplus of +USD4Bn (Vs. Jul. +USD4.2Bn), based on a Bloomberg survey. This projection, along with Exports and Imports YoY in the same period, is projected to grow 19.9% (Vs. Jul. 32.0%) and 31.6% (Vs. 39.9%). As for external data, the PPI MoM US Final Demand in August recorded a deflation of -0.1% (Vs. Surv. -0.1%; Jul. -0.4%) or continued deflation for the second month in a row. NHKSI Research sees that the combination of CPI and PPI makes PCE Core Deflator Aug. YoY is projected to remain high, or one of the Fed's indicators to set the FFR rate.

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	132.20	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	4.69%	4.94%	Cons. Confidence*	124.70	123.20

PRICE OF BENCHMARK SERIES

FR0090 : +6.6 Bps to 94.62 (6.50%)
FR0091 : +1.3 Bps to 94.97 (7.10%)
FR0093 : +4.5 Bps to 95.35 (6.87%)
FR0092 : +0.7 Bps to 99.94 (7.12%)

FR0086 : +2.1 Bps to 97.14 (6.40%)
FR0087 : +5.1 Bps to 96.10 (7.12%)
FR0083 : +0.4 Bps to 102.45 (7.25%)
FR0088 : +0.0 Bps to 93.00 (7.05%)

CDS of Indonesia Bonds

CDS 2yr: -3.27% to 46.13
CDS 5yr: -4.03% to 107.77
CDS 10yr: -2.60% to 172.13

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.13%	0.01%
USDIDR	14,908	0.38%
KRWIDR	10.72	-0.86%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,135.09	30.12	0.10%
S&P 500	3,946.01	13.32	0.34%
FTSE 100	7,277.30	(108.56)	-1.47%
DAX	13,028.00	(160.95)	-1.22%
Nikkei	27,818.62	(796.01)	-2.78%
Hang Seng	18,847.10	(479.76)	-2.48%
Shanghai	3,237.54	(26.26)	-0.80%
KOSPI	2,411.42	(38.12)	-1.56%
EIDO	24.67	0.34	1.40%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,697.3	(4.9)	-0.28%
Crude Oil (\$/bbl)	88.48	1.17	1.34%
Coal (\$/ton)	444.20	4.85	1.10%
Nickel LME (\$/MT)	24,217	(64.0)	-0.26%
Tin LME (\$/MT)	21,177	(203.0)	-0.95%
CPO (MYR/Ton)	3,856	(42.0)	-1.08%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	21:00	Wholesale Inventories MoM	Jul. F	0.6%	0.8%	0.8%
9 - Sept.	—	—	—	—	—	—	—
Monday	—	—	—	—	—	—	—
12 - Sept.	—	—	—	—	—	—	—
Tuesday	US	19:30	CPI MoM	Aug.	0.1%	-0.1%	0.0%
13 - Sept.	US	19:30	CPI Ex. Food and Energy MoM	Aug.	0.6%	0.3%	0.3%
	US	19:30	CPI YoY	Aug.	8.3%	8.1%	8.5%
	US	19:30	CPI Ex. Food and Energy YoY	Aug.	6.3%	6.1%	5.9%
Wednesday	UK	13:00	CPI MoM	Aug.	0.5%	0.6%	0.6%
14 - Sept.	US	18:00	MBA Mortgage Applications	Sept. 9	-1.2%	--	-0.8%
	US	19:30	PPI Final Demand MoM	Aug.	-0.1%	-0.1%	-0.4%
	US	19:30	PPI Final Demand YoY	Aug.	8.7%	8.8%	9.8%
Thursday	ID	11:00	Trade Balance	Aug.		\$4,000Mn	\$4,220Mn
15 - Sept.	ID	11:00	Exports YoY	Aug.		17.00%	32.03%
	ID	11:00	Imports YoY	Aug.		27.70%	39.86%
	US	19:30	Initial Jobless Claims	Sept. 10		--	222K
Friday	EC	16:00	CPI YoY	Aug. F		9.1%	9.1%
16 - Sept.	EC	16:00	CPI MoM	Aug. F		0.5%	0.5%
	EC	16:00	CPI Core YoY	Aug. F		4.3%	4.3%
	US	21:00	U. of Mich. Sentiment	Sept. P		59.3	58.2

Source: Bloomberg

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