

Morning Brief

Daily | Sept. 14, 2022

Today's Outlook:

The government set the FR98 coupon at 7.125%. Based on data from DJPPR, the Government managed to obtain funds worth IDR 19 trillion, from a total of seven series at the SUN auction yesterday. The government offers SPN03221214, SPN12230914, FR95, FR96, FR98, FR97, and FR89. Meanwhile, the government set the FR98 New Issue coupon at 7.125%.

Corporate Bonds

Public Offering of IDR 3 Trillion SMF Bonds. PT Sarana Multigriya Finansial (Persero) or SMF will hold a public offering of Sarana Multigriya Finansial Phase III of 2022 Sustainable Bonds VI on 15-16 September 2022. The bonds to be offered have a principal amount of IDR 3 trillion with a fixed interest rate of 6, 95% per annum and a tenor of 5 years. (Bisnis Indonesia)

Domestic Issue

Indonesia Pockets IDR 19 T from Auction of 7 Debt Instruments. The government through the Ministry of Finance (Kemenkeu) pocketed fresh funds of IDR 19 trillion from the auction of seven debt securities as of September 13, 2022. Furthermore, the two SPN series are SPN03221214 and SPN12230914. Then, five FR series FR0095, FR0096, FR0098, FR0097, and FR0089. Meanwhile, the total incoming bids amounted to IDR 52.05 trillion. (CNN Indonesia)

Recommendation

The negative sentiment of aggressive Hawkish continued. Investors are watching the speculation of a +100Bps increase in September FFR at the FOMC Meeting next week. More detail, 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 at 6.3% (Vs. Surv. 6.1%; Jul. 5.9%). Core Inflation is the Fed's benchmark in setting the FFR amount. The potential for further aggressive Hawkish September FFR hikes of +100Bps occurs after June and July rose +75Bps each, driving US 3Q22 GDP to the brink of recession. This can be seen from the widening of the UST2Y Yield Inversion spread (3.76%) Vs. UST10Y (3.41%) from 20Bps to 35Bps a week.

PRICE OF BENCHMARK SERIES

FR0090 : -3.5 Bps to 94.87 (6.43%)
FR0091 : -3.1 Bps to 95.06 (7.09%)
FR0093 : -1.0 Bps to 95.75 (6.83%)
FR0092 : -5.1 Bps to 100.01 (7.12%)

FR0086 : -1.4 Bps to 97.20 (6.38%)
FR0087 : -0.9 Bps to 96.42 (7.07%)
FR0083 : -0.4 Bps to 102.49 (7.24%)
FR0088 : +73.5 Bps to 93.00 (7.05%)

CDS of Indonesia Bonds

CDS 2yr: +9.21% to 47.69
CDS 5yr: +10.98% to 112.30
CDS 10yr: +7.08% to 176.74

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.12%	-0.03%
USDIDR	14,852	0.07%
KRWIDR	10.81	0.73%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,104.97	(1276.37)	-3.94%
S&P 500	3,932.69	(177.72)	-4.32%
FTSE 100	7,385.86	(87.17)	-1.17%
DAX	13,188.95	(213.32)	-1.59%
Nikkei	28,614.63	72.52	0.25%
Hang Seng	19,326.86	(35.39)	-0.18%
Shanghai	3,263.80	1.74	0.05%
KOSPI	2,449.54	65.26	2.74%
EIDO	24.33	(0.26)	-1.06%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,702.2	(22.4)	-1.30%
Crude Oil (\$/bbl)	87.31	(0.47)	-0.54%
Coal (\$/ton)	439.35	1.85	0.42%
Nickel LME (\$/MT)	24,281	(296.0)	-1.20%
Tin LME (\$/MT)	21,380	(81.0)	-0.38%
CPO (MYR/Ton)	3,898	215.0	5.84%

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

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.		0.6%	0.6%
14 - Sept.	US	18:00	MBA Mortgage Applications	Sept. 9		--	-0.8%
	US	19:30	PPI Final Demand MoM	Aug.		0.0%	-0.5%
	US	19:30	PPI Final Demand YoY	Aug.		8.9%	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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