

Morning Brief

Daily | Sept. 22, 2022

Today's Outlook:

SUN Benchmarks are slightly depressed, ahead of the meeting of a number of Central Banks on Thursday West Indonesia Time, which is projected to return to Hawkish for the September period, including BI +25Bps (4.00%); The BoE +50Bps (2.25%) and the Fed +75Bps (3.00%-3.25%), according to a Bloomberg survey. Yesterday, investors also anticipated the emergence of aggressive Hawkish speculations by the Fed and BI which could raise interest rates up to 100Bps and 50Bps, respectively.

Corporate Bonds

ISAT Wants to Pay Off Principal Bonds and Sukuk. PT Indosat Tbk (ISAT) or Indosat Ooredoo Hutchison announced plans to pay off the principal of the Shelf-Registered Bonds II Indosat Phase II Year 2017 Series C amounting to IDR 498 billion and the principal Indosat Ooredoo Shelf Registration Bond II Phase II Year 2017 Series C amounting to IDR 14 billion on November 9, 2022 The total principal value of the bonds and sukuk is IDR 512 billion. (Investor Daily)

Domestic Issue

Toll Tariffs Will Immediately Rise Due to Fuel Price Increases. The Ministry of Public Works and Public Housing (PUPR) plans to make adjustments or increase toll rates. This step was taken in view of the revival of the national economy and the new regulations related to the price of fuel oil (BBM). Even so, the increase in toll rates will take into account the ability of the community as seen from the survey results. (Kontan)

Recommendation

An increase in the Fed's interest rate which is in line with expectations (Vs. Speculation +100Bps), can be a positive market sentiment today. Investors are also looking forward to the results of the BI RDG which is projected to raise the BI 7DRRR by +25 bps to 4.00% for the September period. Meanwhile, the ADB's upward revision of Indonesia's economic growth projection from 5.0% to 5.4% in 2022 is another positive sentiment.

PRICE OF BENCHMARK SERIES

FR0090 : +1.5 Bps to 94.09 (6.64%)
FR0091 : +0.8 Bps to 94.49 (7.18%)
FR0093 : +1.5 Bps to 94.43 (6.98%)
FR0092 : +3.0 Bps to 98.59 (7.25%)

FR0086 : +1.0 Bps to 96.86 (6.49%)
FR0087 : +0.5 Bps to 95.77 (7.17%)
FR0083 : +2.1 Bps to 101.64 (7.33%)
FR0088 : -4.5 Bps to 92.25 (7.14%)

CDS of Indonesia Bonds

CDS 2yr: +3.59% to 64.48
CDS 5yr: +7.25% to 131.44
CDS 10yr: +2.71% to 192.89

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.20%	0.01%
USDIDR	14,998	0.10%
KRWIDR	10.74	-0.32%

Global Indices

Index	Last	Chg.	%
Dow Jones	30,183.78	(522.45)	-1.70%
S&P 500	3,789.93	(66.00)	-1.71%
FTSE 100	7,237.64	44.98	0.63%
DAX	12,767.15	96.32	0.76%
Nikkei	27,313.13	(375.29)	-1.36%
Hang Seng	18,444.62	(336.80)	-1.79%
Shanghai	3,117.18	(5.23)	-0.17%
KOSPI	2,347.21	(20.64)	-0.87%
EIDO	24.22	(0.07)	-0.29%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,673.9	9.0	0.54%
Crude Oil (\$/bbl)	82.94	(1.00)	-1.19%
Coal (\$/ton)	444.50	3.20	0.73%
Nickel LME (\$/MT)	24,949	(15.0)	-0.06%
Tin LME (\$/MT)	21,170	(11.0)	-0.05%
CPO (MYR/Ton)	3,887	150.0	4.01%

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)	5.76	4.22	Govt. Spending Yoy	-5.24%	-7.74%
Exports Yoy	30.15%	32.03%	FDI (USD bn)	4.28	4.70
Imports Yoy	32.81%	39.86%	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	EC	16:00	CPI YoY	Aug. F	9.1%	9.1%	9.1%
<i>16 - Sept.</i>	EC	16:00	CPI MoM	Aug. F	0.6%	0.5%	0.5%
	EC	16:00	CPI Core YoY	Aug. F	4.3%	4.3%	4.3%
	US	21:00	U. of Mich. Sentiment	Sept. P	60.0	59.5	58.2
Monday	—	—	—	—	—	—	—
<i>19 - Sept.</i>	—	—	—	—	—	—	—
Tuesday	US	19:30	Building Permits	Aug.	1,517K	1,604K	1,685K
<i>20 - Sept.</i>	US	19:30	Building Permits MoM	Aug.	-10.0%	-4.8%	-0.6%
	US	19:30	Housing Starts	Aug.	1,575K	1,450K	1,404K
	US	19:30	Housing Starts MoM	Aug.	12.2%	0.3%	-10.9%
Wednesday	US	18:00	MBA Mortgage Applications	Sept. 16	3.8%	--	-1.2%
<i>21 - Sept.</i>	US	21:00	Existing Home Sales	Aug.	4.80Mn	4.70Mn	4.82Mn
	US	21:00	Existing Home Sales MoM	Aug.	-0.4%	-2.3%	-5.7%
Thursday	US	01:00	FOMC Rate Decision (Lower/ Upper)	Sept. 21	3.00%/3.25%	3.00%/3.25%	2.25%/2.50%
<i>22 - Sept.</i>	ID	14:20	Bank Indonesia 7D Reverse Repo	Sept.		4.00%	3.75%
	UK	18:00	Bank of England Bank Rate	Sept. 22		2.25%	1.75%
	US	19:30	Initial Jobless Claims	Sept. 17		--	213K
Friday	US	20:45	S&P Global US Manufacturing PMI	Sept. P		51.3	51.5
<i>23 - Sept.</i>	US	20:45	S&P Global US Services PMI	Sept. P		45.0	43.7
	US	20:45	S&P Global US Composite PMI	Sept. P		--	44.6

Source: Bloomberg

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