

Morning Brief

Daily | Sept. 1, 2022

Today's Outlook:

The tug-of-war policy on subsidized fuel prices, the SUN market closed mixed. Investors are beginning to observe the positive impact of shifting fuel subsidies to more productive sectors. Meanwhile, part of the diversion of fuel subsidies was used by the government for three social assistances worth a total of IDR 24.2 trillion, with the hope of reducing the burden on some people due to rising inflationary pressures.

Corporate Bonds

ICBP: Records 1H22 Profit of IDR1.93 T. PT Indofood CBP Sukses Makmur Tbk (ICBP) posted sales of IDR32.59 trillion, an increase of 16% YoY. Due to rising commodity prices, operating profit fell 8% YoY to IDR5.88 trillion. Net profit also fell 40% YoY to IDR1.93 trillion. Meanwhile, this happened because the unrealized foreign exchange loss arising from funding activities. (Emiten News)

Domestic Issue

Pertamina's Non-Subsidized Fuel Prices Officially Drop. PT Pertamina (Persero) officially lowered three prices for non-subsidized fuel oil (BBM) on the night of August 31, 2022. The fuel prices that experienced a decline are Pertamina Turbo, Dexlite and Pertamina Dex fuels. The average price reduction is around Rp. 2,000 per liter for each type of non-subsidized fuel. (CNBC Indonesia)

Recommendation

Indonesia experienced a deflation in August, according to a Bloomberg survey. Investors are waiting for the decision to increase the price of subsidized Peralite and Diesel fuel, which will have an impact on production costs. Meanwhile, external sentiment still comes from the potential of the Fed's aggressive Hawkish on the FFR hike in September. Meanwhile, the decline in a number of food commodity prices and the absence of an increase in Administered Prices made August MoM projected to record -0.10% deflation (Vs. Jul. +0.64%).

PRICE OF BENCHMARK SERIES

FR0090 : -0.1 Bps to 94.20 (6.59%)
FR0091 : +1.1 Bps to 94.91 (7.11%)
FR0093 : -1.1 Bps to 93.55 (7.08%)
FR0092 : -3.1 Bps to 100.35 (7.09%)

FR0086 : +0.2 Bps to 97.02 (6.43%)
FR0087 : -0.8 Bps to 96.74 (7.01%)
FR0083 : -0.7 Bps to 102.90 (7.20%)
FR0088 : -26.9 Bps to 94.50 (6.87%)

CDS of Indonesia Bonds

CDS 2yr: +3.71% to 51.29
CDS 5yr: +2.50% to 110.64
CDS 10yr: +0.66% to 188.15

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.13%	0.00%
USDIDR	14,843	0.00%
KRWIDR	11.09	0.61%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,510.43	(280.44)	-0.88%
S&P 500	3,955.00	(31.16)	-0.78%
FTSE 100	7,284.15	(77.48)	-1.05%
DAX	12,834.96	(126.18)	-0.97%
Nikkei	28,091.53	(104.05)	-0.37%
Hang Seng	19,954.39	5.36	0.03%
Shanghai	3,202.14	(25.08)	-0.78%
KOSPI	2,472.05	21.12	0.86%
EIDO	23.76	0.04	0.17%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,711.0	(13.0)	-0.75%
Crude Oil (\$/bbl)	89.55	(2.09)	-2.28%
Coal (\$/ton)	425.00	10.45	2.52%
Nickel LME (\$/MT)	21,411	42.0	0.20%
Tin LME (\$/MT)	22,793	(859.0)	-3.63%
CPO (MYR/Ton)	4,144	(30.0)	-0.72%

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	136.40	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	4.94%	4.35%	Cons. Confidence*	123.20	128.20

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Personal Income	Jul.	0.2%	0.6%	0.7%
26 - Aug.	US	19:30	Personal Spending	Jul.	0.1%	0.5%	1.0%
Monday	—	—	—	—	—	—	—
29 - Aug.	—	—	—	—	—	—	—
Tuesday	GE	19:00	CPI MoM	Aug. P	0.3%	0.4%	0.9%
30 - Aug.	GE	19:00	CPI YoY	Aug. P	7.9%	7.8%	7.5%
	US	21:00	Conf. Board Consumer Confidence	Aug.	103.2	98.0	95.3
Wednesday	CH	08:30	Manufacturing PMI	Aug.	49.4	49.2	49.0
31 - Aug.	US	18:00	MBA Mortgage Applications	Aug. 26	-3.7%	--	-1.2%
	US	19:15	ADP Employment Change	Aug.	132K	300K	268K
	US	20:45	MNI Chicago PMI	Aug.	52.2	52.1	52.1
Thursday	ID	07:30	S&P Global Indonesia PMI Mfg	Aug.		--	51.3
1 - Sept.	ID	11:00	CPI YoY	Aug.		5.10%	4.94%
	ID	11:00	CPI MoM	Aug.		-0.15%	0.64%
	ID	11:00	CPI Core YoY	Aug.		2.95%	2.86%
Friday	US	19:30	Change in Nonfarm Payrolls	Aug.		300K	528K
2 - Sept.	US	19:30	Unemployment Rate	Aug.		3.5%	3.5%
	US	21:00	Factory Orders	Jul.		0.2%	2.0%
	US	21:00	Durable Goods Orders	Jul. F		0.0%	0.0%

Source: Bloomberg

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