

Morning Brief

Daily | Sept. 28, 2022

Today's Outlook:

SUN benchmarks were mixed, ahead of September inflation data which broke 1%. Based on a Bloomberg survey, Indonesia for the September MoM period is projected to record an inflation rate of +1.1% (Vs. Aug. deflation -0.21%). In addition to fuel and transportation within the city, investors are looking at the factor of the increase in rice prices as one of the contributors to inflation in September 2022.

Corporate Bonds

ISAT: Build a Telecommunication Network. PT Indosat Tbk (ISAT) executed affiliated transactions worth IDR133.57 billion. This step was taken to provide Very Small Aperture Terminal (VSAT) network devices and services. Meanwhile, the company has conducted a tender to select a VSAT provider, and Lintasarta was chosen as the winner of the tender. (Emiten News)

Domestic Issue

Minister of Finance: Indonesia's 3Q22 Economy Grows 6%. Indonesia's economy in 3Q22 is expected to reach 5.6% - 6%, much higher than the position in the previous two quarters, said the Minister of Finance. Meanwhile, Indonesia's economic driver was able to accelerate, one of which was exports, during that period it managed to grow 30.15% YoY to reach USD27.91B. Meanwhile, the trade balance in August was a surplus of USD5.76 billion. In addition, household consumption and investment also continued to grow well. (CNBC Indonesia)

Recommendation

The lack of sentiment on economic data this week has made investors begin to pay close attention to the release of Indonesia's inflation data for the September period, on Monday next week. On the global side, consumer confidence is stronger, reinforcing expectations of an FFR hike of up to 4.4% in FY22E. One indicator of consumer confidence, Conf. US Consumer Confidence Board Sept. rose to the level of 108.0 (Vs. Aug. 103.6), one of which was supported by falling gas prices. In more detail, investors will observe the effectiveness of Hawkish's discourse on further FFR increases of more than +50 bps in November and December. In the midst of efforts to reduce inflation, continued tight monetary policy has the opportunity to bring the US economy to the threat of a recession in 2023.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.25%	3.75%	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

PRICE OF BENCHMARK SERIES

FR0090 : -1.8 Bps to 93.35 (6.85%)
FR0091 : -0.4 Bps to 93.40 (7.34%)
FR0093 : +8.2 Bps to 92.39 (7.21%)
FR0092 : 0.0 Bps to 97.82 (7.33%)

FR0086 : +5.7 Bps to 96.18 (6.72%)
FR0087 : +0.9 Bps to 94.97 (7.31%)
FR0083 : +2.4 Bps to 100.99 (7.39%)
FR0088 : +6.2 Bps to 90.75 (7.32%)

CDS of Indonesia Bonds

CDS 2yr: -7.02% to 73.74
CDS 5yr: -4.22% to 151.73
CDS 10yr: +0.10% to 228.09

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.38%	0.00%
USDIDR	15,123	-0.03%
KRWIDR	10.63	0.58%

Global Indices

Index	Last	Chg.	%
Dow Jones	29,134.99	(125.82)	-0.43%
S&P 500	3,647.29	(7.75)	-0.21%
FTSE 100	6,984.59	(36.36)	-0.52%
DAX	12,139.68	(88.24)	-0.72%
Nikkei	26,571.87	140.32	0.53%
Hang Seng	17,860.31	5.17	0.03%
Shanghai	3,093.86	42.64	1.40%
KOSPI	2,223.86	2.92	0.13%
EIDO	23.59	(0.18)	-0.76%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,628.9	6.5	0.40%
Crude Oil (\$/bbl)	78.50	1.79	2.33%
Coal (\$/ton)	437.65	(0.35)	-0.08%
Nickel LME (\$/MT)	21,858	(348.0)	-1.57%
Tin LME (\$/MT)	20,680	40.0	0.19%
CPO (MYR/Ton)	3,523	(18.0)	-0.51%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	20:45	S&P Global US Manufacturing PMI	Sept. P	51.8	51.0	51.5
23 - Sept.	US	20:45	S&P Global US Services PMI	Sept. P	49.2	45.5	43.7
	US	20:45	S&P Global US Composite PMI	Sept. P	49.3	46.1	44.6
Monday	GE	15:00	IFO Business Climate	Sept.	84.3	87.0	88.6
26 - Sept.	GE	15:00	IFO Current Assessment	Sept.	94.5	96.0	97.5
	GE	15:00	IFO Expectations	Sept.	75.2	79.0	80.5
	US	21:30	Dallas Fed Manf. Activity	Sept.	-17.2	-9.0	-12.9
Tuesday	US	19:30	Durable Goods Orders	Aug. P	-0.2%	-0.3%	-0.1%
27 - Sept.	US	21:00	Conf. Board Consumer Confidence	Sept.	108.0	104.6	103.6
	US	21:00	New Home Sales	Aug.	685K	500K	532K
	US	21:00	New Home Sales MoM	Aug.	28.8%	-2.2%	-8.6%
Wednesday	US	18:00	MBA Mortgage Applications	Sept. 23		--	3.8%
28 - Sept.	US	19:30	Wholesale Inventories MoM	Aug. P		0.4%	0.6%
	US	21:00	Pending Home Sales MoM	Aug.		-0.5%	-1.0%
	US	21:00	Pending Home Sales NSA YoY	Aug.		--	-22.5%
Thursday	US	19:30	GDP Annualized QoQ	2Q T		-0.6%	-0.6%
29 - Sept.	US	19:30	Personal Consumption	2Q T		1.5%	1.5%
	US	19:30	GDP Price Index	2Q T		8.9%	8.9%
	US	19:30	Core PCE QoQ	2Q T		4.4%	4.4%
Friday	US	19:30	Personal Income	Aug.		0.3%	0.2%
30 - Sept.	US	19:30	Personal Spending	Aug.		0.2%	0.1%
	US	20:45	MNI Chicago PMI	Sept.		51.8	52.2
	US	21:00	U. Of Mich. Sentiment	Sept. F		59.5	59.5

Source: Bloomberg

Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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