

# Morning Brief

Daily | Sept. 13, 2022

## Today's Outlook:

**SUN Benchmark strengthened earlier in the week**, amid investors still calculating the impact of the increase in subsidized fuel. Previously, BI reported that the inflation rate until the second week of September 2022 was 0.77% MoM, with the main commodities contributing to inflation including gasoline, rice and transportation fares.

## Corporate Bonds

**PTPP: Injects Capital to Business Entity.** PT PP (Persero) Tbk (PTPP) injected capital of PP Semarang Demak worth IDR333.75 billion. Capital strengthening is carried out to meet operational needs. Meanwhile, the transaction is in the realm of affiliation in terms of share ownership, where the company controls 75% of PP Semarang Demak's shares and then there are company representatives who serve as commissioners and/or directors of PP Semarang Demak. (Emiten News)

## Domestic Issue

**Energy Subsidy Spending in 2023 Agreed at IDR 211.9 Trillion.** The government and the House of Representatives' Budget Agency (Banggar) have agreed that energy subsidy spending next year will reach IDR 211.9 trillion. This figure is higher than in Presidential Regulation (Perpres) 98/2022 which only amounted to IDR 208.9 trillion. In next year's energy subsidy spending, it includes fuel oil (BBM) subsidies of IDR 21.54 trillion, 3 kg LPG subsidies worth IDR 117.84 trillion and electricity subsidies of IDR 72.57 trillion. (Kontan)

## Recommendation

**September 2022 seen as the peak of the Fed's Hawkish stance.** Investors combined projections that the US is entering a period of deflation, with a forecast of a +75Bps hike in September FFR, drawing the conclusion that the Fed's Hawkish peak will occur this month. US deflation is projected to occur at the consumer and producer levels. CPI and PPI Final Demand Aug. The US is projected to post -0.1% MoM deflation each. Meanwhile, the CME FedWatch survey estimates the probability of a September FFR hike of +75Bps to reach the level of 92%.

## PRICE OF BENCHMARK SERIES

FR0090 : -4.8 Bps to 94.73 (6.46%)  
FR0091 : -2.2 Bps to 94.85 (7.12%)  
FR0093 : -15.2 Bps to 94.85 (6.93%)  
FR0092 : -1.5 Bps to 99.63 (7.15%)

FR0086 : -3.0 Bps to 97.16 (6.39%)  
FR0087 : -5.6 Bps to 96.36 (7.07%)  
FR0083 : +0.1 Bps to 102.45 (7.25%)  
FR0088 : +73.5 Bps to 93.37 (6.31%)

## CDS of Indonesia Bonds

CDS 2yr: -1.86% to 43.66  
CDS 5yr: -8.90% to 101.18  
CDS 10yr: -1.48% to 165.04

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.14%	-0.03%
USDIDR	14,842	0.08%
KRWIDR	10.73	-0.33%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,381.34	229.63	0.71%
S&P 500	4,110.41	43.05	1.06%
FTSE 100	7,473.03	121.96	1.66%
DAX	13,402.27	314.06	2.40%
Nikkei	28,542.11	327.36	1.16%
Hang Seng	19,362.25	0.00	0.00%
Shanghai	3,262.05	0.00	0.00%
KOSPI	2,384.28	0.00	0.00%
EIDO	24.59	0.22	0.90%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,724.5	7.7	0.45%
Crude Oil (\$/bbl)	87.78	0.99	1.14%
Coal (\$/ton)	437.50	2.25	0.52%
Nickel LME (\$/MT)	24,577	1583.0	6.88%
Tin LME (\$/MT)	21,461	296.0	1.40%
CPO (MYR/Ton)	3,683	89.0	2.48%

## 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
<b>Friday</b>	US	21:00	Wholesale Inventories MoM	Jul. F	0.6%	0.8%	0.8%
9 - Sept.	—	—	—	—	—	—	—
<b>Monday</b>	—	—	—	—	—	—	—
12 - Sept.	—	—	—	—	—	—	—
<b>Tuesday</b>	US	19:30	CPI MoM	Aug.		-0.1%	0.0%
13 - Sept.	US	19:30	CPI Ex. Food and Energy MoM	Aug.		0.3%	0.3%
	US	19:30	CPI YoY	Aug.		8.1%	8.5%
	US	19:30	CPI Ex. Food and Energy YoY	Aug.		6.1%	5.9%
<b>Wednesday</b>	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%
<b>Thursday</b>	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
<b>Friday</b>	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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