

# Morning Brief

Daily | Sept. 27, 2022

## Today's Outlook:

Although the September FFR increase of +75Bps has been Price In, investors are worried about the Fed's FY22E interest rate hike to the level of 4.4% from the current 3.00%-3.25%. This indicates that there will be a further increase in Hawkish FFR, or an increase of more than 50 bps in November and December. US economic recession indicators also occur in the UST2Y Vs Yield Inversion spread. The widening UST10Y is approaching 50Bps, with the current yield of UST10Y almost reaching the 4% level.

## Corporate Bonds

**SMGR: Owns 75.51% of SMBR's Shares.** PT Semen Indonesia Tbk (SMGR) will receive a 75.51% share ownership in PT Semen Baturaja Tbk (SMBR). The transfer will result in a change in SMBR's status from a Persero to a limited liability company. However, the series A shares are still owned by the State as control as regulated in the company's articles of association. (Emiten News)

## Domestic Issue

**2022 APBN Surplus IDR 107.4 Trillion.** The 2022 State Revenue and Expenditure Budget (APBN) still prints a surplus until August 2022. The Minister of Finance stated that the APBN surplus in the reporting period was IDR 107.4 trillion or 0.58% of gross domestic product (GDP). The gains are not only seen in budget performance, the state treasurer said the primary balance until August 31, 2022 scored a surplus of IDR 342.1 trillion. In line with these conditions, budget financing decreased 46.0% YoY to IDR 286.8 trillion. (Kontan)

## Recommendation

**Investors are watching inflation in September which penetrated 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 increase in rice prices as one of the contributors to inflation in September 2022. Today, the government is again offering FR95, FR96, FR98, FR97 and FR89 at the last SUN auction 3Q22.

## PRICE OF BENCHMARK SERIES

FR0090 : +3.1 Bps to 93.28 (6.86%)  
FR0091 : +8.8 Bps to 93.37 (7.35%)  
FR0093 : +8.4 Bps to 93.09 (7.13%)  
FR0092 : 0.0 Bps to 97.82 (7.33%)

FR0086 : +8.4 Bps to 96.36 (6.66%)  
FR0087 : +1.4 Bps to 95.02 (7.30%)  
FR0083 : +2.0 Bps to 101.22 (7.37%)  
FR0088 : +12.3 Bps to 91.25 (7.26%)

## CDS of Indonesia Bonds

CDS 2yr: +6.18% to 79.32  
CDS 5yr: +7.57% to 158.41  
CDS 10yr: +5.03% to 227.86

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.38%	0.09%
USDIDR	15,128	0.60%
KRWIDR	10.57	-0.92%

## Global Indices

Index	Last	Chg.	%
Dow Jones	29,260.81	(329.60)	-1.11%
S&P 500	3,655.04	(38.19)	-1.03%
FTSE 100	7,020.95	2.35	0.03%
DAX	12,227.92	(56.27)	-0.46%
Nikkei	26,431.55	(722.28)	-2.66%
Hang Seng	17,855.14	(78.13)	-0.44%
Shanghai	3,051.23	(37.14)	-1.20%
KOSPI	2,220.94	(69.06)	-3.02%
EIDO	23.77	(0.17)	-0.71%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,622.4	(21.6)	-1.31%
Crude Oil (\$/bbl)	76.71	(2.03)	-2.58%
Coal (\$/ton)	438.00	2.80	0.64%
Nickel LME (\$/MT)	22,206	(1205.0)	-5.15%
Tin LME (\$/MT)	20,640	397.0	1.96%
CPO (MYR/Ton)	3,541	(195.0)	-5.22%

## 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

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	20:45	S&P Global US Manufacturing PMI	Sept. P	51.8	51.0	51.5
<i>23 - Sept.</i>	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
<b>Monday</b>	GE	15:00	Ifo Business Climate	Sept.	84.3	87.0	88.6
<i>26 - Sept.</i>	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
<b>Tuesday</b>	US	19:30	Durable Goods Orders	Aug. P		-0.1%	-0.1%
<i>27 - Sept.</i>	US	21:00	Conf. Board Consumer Confidence	Sept.		104.5	103.2
	US	21:00	New Home Sales	Aug.		500K	511K
	US	21:00	New Home Sales MoM	Aug.		-2.2%	-12.6%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Sept. 23		--	3.8%
<i>28 - Sept.</i>	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%
<b>Thursday</b>	US	19:30	GDP Annualized QoQ	2Q T		-0.6%	-0.6%
<i>29 - Sept.</i>	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%
<b>Friday</b>	US	19:30	Personal Income	Aug.		0.3%	0.2%
<i>30 - Sept.</i>	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

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