

Morning Brief

Daily | Sept. 26, 2022

Today's Outlook:

The increase in BI's 7DRRR in September to +50Bps, is a **monetary dose of BI that is rarely given**. NHKSI Research sees BI Front Loaded Hawkish's aggressive decision, in order to suppress inflation according to the target below 4% YoY until 1H23 ahead. This continued Hawkish also, at the same time made the 4Q22 domestic economy face an era of high interest rates. From a global perspective, the third FFR +75Bps increase opened the way for the aggressive Hawkish of a number of other Central Banks, increasing the risk of a global economic recession.

Corporate Bonds

BBTN: Profit Breaks IDR1.97 T. PT Bank Tabungan Negara (Persero) Tbk (BBTN) recorded a 1H22 profit of IDR1.97 trillion or a 57.12% YoY jump on the back of a 30.61% surge in net interest income to IDR10.12 trillion. As of August 2022, the Company recorded a credit position of IDR256.22 trillion, an increase of 6.09% YoY. (Emiten News)

Domestic Issue

BI Expects September 2022 Inflation to Reach 1.1%. Bank Indonesia (BI) estimates inflation in September 2022 to reach 1.1% MoM, with the main contributor to the increase in fuel prices. This estimate is based on the results of the Price Monitoring Survey (SPH) in the fourth week of September 2022. Meanwhile, the main commodities contributing to inflation in September 2022 until the second week are gasoline by 0.91% MoM and urban transportation by 0.05% MoM. (Investor Daily)

Recommendation

The absence of the October FOMC Meeting gave the government securities market the opportunity to determine its own direction of movement. Previously, the FOMC Meeting Results tended to be a weighting sentiment for the JCI. Furthermore, the lack of sentiment this week has made investors start to pay attention to the release of Indonesia Headline Inflation data for September, Monday (3/10) next week, which is projected to record an increase rate of 5.90% (Vs. Aug. 4.69%).

PRICE OF BENCHMARK SERIES

FR0090 : +11.2 Bps to 93.39 (6.83%)
FR0091 : +4.1 Bps to 93.94 (7.26%)
FR0093 : +6.0 Bps to 93.81 (7.05%)
FR0092 : +3.6 Bps to 97.82 (7.33%)

FR0086 : +5.1 Bps to 96.61 (6.58%)
FR0087 : +4.6 Bps to 95.10 (7.28%)
FR0083 : +1.1 Bps to 101.42 (7.35%)
FR0088 : +0.0 Bps to 92.25 (7.14%)

CDS of Indonesia Bonds

CDS 2yr: +8.39% to 74.70
CDS 5yr: +7.54% to 147.26
CDS 10yr: +6.53% to 216.94

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.29%	0.04%
USDIDR	15,038	0.13%
KRWIDR	10.67	0.32%

Global Indices

Index	Last	Chg.	%
Dow Jones	29,590.41	(486.27)	-1.62%
S&P 500	3,693.23	(64.76)	-1.72%
FTSE 100	7,018.60	(140.92)	-1.97%
DAX	12,284.19	(247.44)	-1.97%
Nikkei	27,153.83	0.00	0.00%
Hang Seng	17,933.27	(214.68)	-1.18%
Shanghai	3,088.37	(20.54)	-0.66%
KOSPI	2,290.00	(42.31)	-1.81%
EIDO	23.94	(0.40)	-1.64%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,643.9	(27.3)	-1.63%
Crude Oil (\$/bbl)	78.74	(4.75)	-5.69%
Coal (\$/ton)	435.20	(0.45)	-0.10%
Nickel LME (\$/MT)	23,411	(1151.0)	-4.69%
Tin LME (\$/MT)	20,243	(1407.0)	-6.50%
CPO (MYR/Ton)	3,736	(90.0)	-2.35%

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
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.		86.0	88.5
26 - Sept.	GE	15:00	IFO Current Assessment	Sept.		96.0	97.5
	GE	15:00	IFO Expectations	Sept.		78.0	80.3
	US	21:30	Dallas Fed Manf. Activity	Sept.		-8.0	-12.9
Tuesday	US	19:30	Durable Goods Orders	Aug. P		-0.1%	-0.1%
27 - Sept.	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%
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

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