

Morning Brief

Daily | Sept. 8, 2022

Today's Outlook:

In addition to the ECB's monetary policy, investors are also looking forward to the US jobless claims data and Powell's speech. Based on a Bloomberg survey, the ECB Main Refinancing Rate Sept. is projected to rise +75Bps to 1.25% (Vs. Aug. 0.50%), with US Initial Jobless Claims ending September 3 projected to be maintained at 235K claims. Fed Chair Powell is scheduled to take part in a panel discussion at the Cato Institute virtual meeting.

Corporate Bonds

TLKM : Partners with Amazon Web Service. PT Telkom Indonesia (Persero) Tbk (TLKM) established a strategic partnership with Amazon Web Services (AWS). This is done to accelerate national digitization, support solution acceleration, and cloud computing technology for digital industry players. Meanwhile, Telkom established a partnership with AWS Indonesia with the vision of being the core of digital Indonesia through people and technology. (Emiten News)

Domestic Issue

Indonesia's Forex Reserves at USD 132.2 Billion. Bank Indonesia (BI) reported that Indonesia's foreign exchange reserves at the end of August 2022 reached USD 132.2 billion, at the same level as the end of July 2022. This development was influenced by tax and service receipts, oil and gas foreign exchange receipts, amid the need for exchange rate stabilization as the Rupiah is in line with the high uncertainty in global financial markets. (Kompas)

Recommendation

The trade deficit narrowed, easing fears of further 3Q22 US GDP contraction. US Trade Balance Jul. recorded a deficit of -USD70.6B (Vs. Jun. -USD80.9B) or a 13% MoM lower deficit. Previously, Trade Balance added 1.42% points to 2Q22 US GDP which experienced a Technical Recession -0.6% QoQ (Vs. 1Q22 -1.6% QoQ). Wall Street's appreciation also occurred in line with the strengthening of Risk Free UST10Y, which recorded a decrease in yield of 9Bps to a level of 3.27%, from yield of 3.35% or the highest level since June 2022.

PRICE OF BENCHMARK SERIES

FR0090 : +6.1 Bps to 93.67 (6.74%)
FR0091 : +4.5 Bps to 94.38 (7.19%)
FR0093 : +1.4 Bps to 93.36 (7.10%)
FR0092 : +8.2 Bps to 99.46 (7.17%)

FR0086 : +2.3 Bps to 96.80 (6.50%)
FR0087 : +4.8 Bps to 95.59 (7.20%)
FR0083 : +3.4 Bps to 102.34 (7.26%)
FR0088 : +9.1 Bps to 92.25 (7.14%)

CDS of Indonesia Bonds

CDS 2yr: -5.50% to 48.86
CDS 5yr: -2.16% to 118.37
CDS 10yr: -4.62% to 180.16

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.21%	0.04%
USDIDR	14,918	0.21%
KRWIDR	10.78	-0.55%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,581.28	435.98	1.40%
S&P 500	3,979.87	71.68	1.83%
FTSE 100	7,237.83	(62.61)	-0.86%
DAX	12,915.97	44.53	0.35%
Nikkei	27,430.30	(196.21)	-0.71%
Hang Seng	19,044.30	(158.43)	-0.83%
Shanghai	3,246.29	2.85	0.09%
KOSPI	2,376.46	(33.56)	-1.39%
EIDO	24.05	(0.08)	-0.33%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,718.4	16.2	0.95%
Crude Oil (\$/bbl)	81.94	(4.94)	-5.69%
Coal (\$/ton)	439.00	(11.25)	-2.50%
Nickel LME (\$/MT)	21,580	6.0	0.03%
Tin LME (\$/MT)	20,851	(355.0)	-1.67%
CPO (MYR/Ton)	3,690	(107.0)	-2.82%

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*	123.20	128.20

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Change in Nonfarm Payrolls	Aug.	315K	298K	526K
2 - Sept.	US	19:30	Unemployment Rate	Aug.	3.7%	3.5%	3.5%
	US	21:00	Factory Orders	Jul.	-1.0%	0.2%	1.8%
	US	21:00	Durable Goods Orders	Jul. F	-0.1%	0.0%	0.0%
	US	21:00	Durable Goods Orders	Jul. F	-0.1%	0.0%	0.0%
Monday	CH	08:45	Caixin China PMI Composite	Aug.	53.0	--	54.0
5 - Sept.	CH	08:45	Caixin China PMI Services	Aug.	55.0	54.0	55.5
	GE	14:55	S&P Global Germany Services PMI	Aug. F	47.7	48.2	48.2
	GE	14:55	S&P Global Germany Composite PMI	Aug. F	46.9	47.6	47.6
	GE	14:55	S&P Global Germany Composite PMI	Aug. F	46.9	47.6	47.6
Tuesday	GE	13:00	Factory Orders MoM	Jul.	-1.1%	-0.7%	-0.3%
6 - Sept.	US	20:45	S&P Global US Services PMI	Aug. F	43.7	44.2	44.1
	US	20:45	S&P Global US Composite PMI	Aug. F	44.6	45.0	45.0
	US	21:00	ISM Services Index	Aug.	56.9	55.3	56.7
	US	21:00	ISM Services Index	Aug.	56.9	55.3	56.7
Wednesday	ID	10:00	Foreign Reserves	Aug.	\$132.20Bn	--	\$132.17Bn
7 - Sept.	US	18:00	MBA Mortgage Applications	Sept. 2	-0.8%	--	-3.7%
	US	19:30	Trade Balance	Jul.	-\$70.6Bn	-\$70.2Bn	-\$80.9Bn
	US	19:30	Trade Balance	Jul.	-\$70.6Bn	-\$70.2Bn	-\$80.9Bn
Thursday	EC	19:15	ECB Main Refinancing Rate	Sept. 8		1.000%	0.500%
8 - Sept.	EC	19:15	ECB Marginal Lending Facility	Sept. 8		--	0.750%
	EC	19:15	ECB Deposit Facility Rate	Sept. 8		0.625%	0.000%
	US	19:30	Initial Jobless Claims	Sept. 3		--	232K
	US	19:30	Initial Jobless Claims	Sept. 3		--	232K
Friday	US	21:00	Wholesale Inventories MoM	Jul. F		0.8%	0.8%
9 - Sept.	—	—	—	—	—	—	—

Source: Bloomberg

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