

# Morning Brief

Daily | Sept. 12, 2022

## Today's Outlook:

**SUN Benchmark strengthened over the weekend**, amid sentiment from the European continent's energy crisis that the price of coal on the Newcastle ICE market touched a new record level of USD461.07/Ton, or up nearly 6% after Gazprom stopped indefinitely supplying natural gas to the Eurozone. This movement in the SUN market is also in the midst of a Bloomberg survey which projects that BI will increase the BI 7DRRR in September by +25 bps to the level of 4.00% (vs. Aug. 3.75%). NHKSI Research sees that BI is starting to anticipate the impact of a significant increase of more than 30% of subsidized fuel prices on inflation in September 2022.

## Corporate Bonds

**WSKT: Acquires IDR252 Billion Contract of Work.** PT Waskita Karya (Persero) Tbk (WSKT) announced the acquisition of the Cipto Mangunkusumo Hospital (RSCM) construction project. Meanwhile, the Company won the tender to continue the construction of the Central Medical Unit 3 (CMU3) Building at the Dr Cipto Mangunkusumo National Hospital with a contract value of IDR252 billion. (Emiten News)

## Domestic Issue

**BI Projects Second Week of September Inflation of 0.77%.** Bank Indonesia (BI) estimates that the inflation rate until the second week of September 2022 will be 0.77% MoM. Meanwhile, the main commodities contributing to inflation were gasoline at 0.66% MoM, broiler eggs at 0.03% MoM, rice and transportation rates within the city at 0.02% MoM each, as well as inter-city transportation fares, filter kretek cigarettes, and household fuel (BBRT) each at 0.01% MoM. (Kontan)

## Recommendation

**US entered a period of deflation**, the August average US gasoline price fell more than 7% MoM. Based on a Bloomberg survey, 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 respectively compared to July, which are at CPI: +0.0% MoM and PPI Final Demand: -0.5% MoM, respectively. Apart from gasoline, there was also a decline in US gas prices in the same period. On the other hand, the CPI Core YoY or the Fed's benchmark in setting the FFR, is approaching the 7% level in the coming months, making NHKSI Research project a further aggressive Hawkish, or Sept increase in FFR. +75Bps to 3.00%-3.25%.

## 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

## PRICE OF BENCHMARK SERIES

FR0090 : -12.6 Bps to 94.55 (6.51%)  
FR0091 : -1.4 Bps to 94.70 (7.14%)  
FR0093 : -2.4 Bps to 93.52 (7.08%)  
FR0092 : -0.1 Bps to 99.47 (7.17%)

FR0086 : -5.5 Bps to 97.06 (6.42%)  
FR0087 : -2.9 Bps to 96.02 (7.13%)  
FR0083 : -0.2 Bps to 102.46 (7.24%)  
FR0088 : +9.0 Bps to 93.00 (7.05%)

## CDS of Indonesia Bonds

CDS 2yr: -5.69% to 44.49  
CDS 5yr: -2.95% to 111.08  
CDS 10yr: -4.57% to 167.53

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.17%	-0.01%
USDIDR	14,830	-0.46%
KRWIDR	10.77	-0.22%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,151.71	377.19	1.19%
S&P 500	4,067.36	61.18	1.53%
FTSE 100	7,351.07	89.01	1.23%
DAX	13,088.21	183.89	1.43%
Nikkei	28,214.75	149.47	0.53%
Hang Seng	19,362.25	507.63	2.69%
Shanghai	3,262.05	26.47	0.82%
KOSPI	2,384.28	0.00	0.00%
EIDO	24.37	0.15	0.62%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,716.8	8.4	0.49%
Crude Oil (\$/bbl)	86.79	3.25	3.89%
Coal (\$/ton)	435.25	(5.10)	-1.16%
Nickel LME (\$/MT)	22,994	1241.0	5.70%
Tin LME (\$/MT)	21,165	(177.0)	-0.83%
CPO (MYR/Ton)	3,594	53.0	1.50%

## 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

## 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

### Research Support

**Jasmine Kusumawardani**

Editor & Translator

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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## PT. NH Korindo Sekuritas Indonesia

### Head Office :

District 8 Treasury Tower 51<sup>st</sup> 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

Fax : +62 21 5316 1687

### 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

### Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

### Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

### Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

### Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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