

Morning Brief

Daily | Sept. 20, 2022

Today's Outlook:

SUN market at the beginning of the week was mixed. Investors are watching as many as three Central Banks are projected to return to Hawkish, with BI +25Bps; BoE +50Bps and the Fed +75Bps, Thursday West Indonesia Time. NHKSI Research saw that Hawkish continued aggressively by the Fed by using Lagging Indicators which still showed inflation, while Leading Indicators had shown deflation, potentially bringing US GDP to the verge of recession, after experiencing the 1H22 Technical Recession. In fact, global oil prices have fallen more than 30% from their peak levels.

Corporate Bonds

TINS: Ready to Operate Ausmelt Furnance Smelter. PT Timah Tbk (TINS) said that the Ausmelt Furnace smelter is ready to be operated in November 2022. It is known that the progress of the smelter has reached 97%. The smelter is projected to increase efficiency in the range of 25-30%. In addition, the project will also have a capacity of 40 thousand tons of crude tin per year. (Emiten News)

Domestic Issue

Government Offers First Green Sukuk PBSG001. In today's State Sharia Securities (SBSN) auction, the PBSG001 Series was offered for the first time, which is the first green sukuk series offered through auction in the domestic primary market. The issuance of the Green Sukuk series through this auction complements the Green Sukuk issuance program which has been carried out 5 times in the global market since 2018 and 3 times in the domestic market through retail green sukuk since 2019. The PBSG001 series can also be used to support the RPIM (Financing Ratio) program Macroprudential Inclusion) for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units. (DJPPR)

Recommendation

Investors Wait and See ahead of BI RDG results. Concerns occur in the bond market, UST2Y or short tenor bonds which are very sensitive to rising interest rates, approaching the psychological yield of 4%. NHKSI Research sees the Fed's tight monetary policy having a significant impact on the property market, compared to the labor market and consumer spending that remain high, making the US Home Builder US September data down to 46 (Vs. Surv. 47; Aug. 49), along with the increase. Mortgage interest with Fixed Rate 30Y broke the 6% level for the first time.

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)	5.76	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

PRICE OF BENCHMARK SERIES

FR0090 : -0.1 Bps to 94.07 (6.64%)
FR0091 : -0.4 Bps to 94.43 (7.18%)
FR0093 : +3.6 Bps to 94.53 (6.97%)
FR0092 : +5.7 Bps to 98.91 (7.22%)

FR0086 : +1.2 Bps to 96.85 (6.50%)
FR0087 : +0.3 Bps to 95.83 (7.16%)
FR0083 : +2.4 Bps to 101.91 (7.30%)
FR0088 : +4.6 Bps to 91.87 (7.18%)

CDS of Indonesia Bonds

CDS 2yr: +0.32% to 47.89
CDS 5yr: +1.50% to 112.45
CDS 10yr: +0.15% to 176.86

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.21%	-0.01%
USDIDR	14,978	0.17%
KRWIDR	10.75	-0.14%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,019.68	197.26	0.64%
S&P 500	3,899.89	26.56	0.69%
FTSE 100	7,236.68	0.00	0.00%
DAX	12,803.24	61.98	0.49%
Nikkei	27,567.65	0.00	0.00%
Hang Seng	18,565.97	(195.72)	-1.04%
Shanghai	3,115.60	(10.80)	-0.35%
KOSPI	2,355.66	(27.12)	-1.14%
EIDO	24.61	0.34	1.40%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,675.8	0.8	0.05%
Crude Oil (\$/bbl)	85.73	0.62	0.73%
Coal (\$/ton)	439.05	0.05	0.01%
Nickel LME (\$/MT)	24,594	345.0	1.42%
Tin LME (\$/MT)	20,945	(192.0)	-0.91%
CPO (MYR/Ton)	3,700	(83.0)	-2.19%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	EC	16:00	CPI YoY	Aug. F	9.1%	9.1%	9.1%
<i>16 - Sept.</i>	EC	16:00	CPI MoM	Aug. F	0.6%	0.5%	0.5%
	EC	16:00	CPI Core YoY	Aug. F	4.3%	4.3%	4.3%
	US	21:00	U. of Mich. Sentiment	Sept. P	60.0	59.5	58.2
Monday	—	—	—	—	—	—	—
<i>19 - Sept.</i>	—	—	—	—	—	—	—
Tuesday	US	19:30	Building Permits	Aug.		1,621K	1,685K
<i>20 - Sept.</i>	US	19:30	Building Permits MoM	Aug.		-3.8%	-0.6%
	US	19:30	Housing Starts	Aug.		1,460K	1,446K
	US	19:30	Housing Starts MoM	Aug.		1.0%	-9.6%
Wednesday	US	18:00	MBA Mortgage Applications	Sept. 16		--	-1.2%
<i>21 - Sept.</i>	US	21:00	Existing Home Sales	Aug.		4.70Mn	4.81Mn
	US	21:00	Existing Home Sales MoM	Aug.		-2.3%	-5.9%
Thursday	US	01:00	FOMC Rate Decision (Lower/ Upper)	Sept. 21		3.00%/3.25%	2.25%/2.50%
<i>22 - Sept.</i>	ID	14:20	Bank Indonesia 7D Reverse Repo	Sept.		4.00%	3.75%
	UK	18:00	Bank of England Bank Rate	Sept. 22		2.25%	1.75%
	US	19:30	Initial Jobless Claims	Sept. 17		--	213K
Friday	US	20:45	S&P Global US Manufacturing PMI	Sept. P		51.3	51.5
<i>23 - Sept.</i>	US	20:45	S&P Global US Services PMI	Sept. P		45.0	43.7
	US	20:45	S&P Global US Composite PMI	Sept. P		--	44.6

Source: Bloomberg

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