

# Morning Brief

Daily | Oct. 12, 2022

## Today's Outlook:

**Investors are interested in the 10-Year SUN Benchmark candidate.** FR96 recorded an entry bid of up to IDR6.8Trillion or the highest compared to FR95, FR98, FR97 and FR89 in yesterday's SUN auction. The liquidity factor and offers coupons of up to 7%, make investors interested in this series. On the other hand, yield expectations are too high, making the Government selective in winning this series, or FR96 only won for IDR1.6Trillion or a Bid to Cover ratio of 2.9x.

## Corporate Bonds

**FIF Group Bonds Earn AAA Rating.** Several bonds owned by PT Federal International Finance (FIF Group) have received AAA ratings from PT Fitch Ratings Indonesia (Fitch) with a stable outlook. At least, there are six bonds that get this rating. (Kontan)

## Domestic Issue

**The Government Withdraws New Debt of IDR 8.2 T.** Rising fear of global recession is causing Indonesia's financial market to collapse. The government on Tuesday (11/10/2022), held a SUN auction for seven series, namely: SPN03230111 (New Issuance), SPN12231012 (New Issuance), FR0095 (Reopening), FR0096 (Reopening), FR0098 (Reopening), FR0097 (Reopening), and FR0089 (Reopening). Of the number of incoming bids, the government only took IDR 8.22 trillion which is the lowest in the last 11 auctions. (CNBC Indonesia)

## Recommendation

**BI 7DRRR at the level of 4.25% is not effective;** as the rupiah depreciated more to the level of IDR15,350/USD. Strong Dollar again depresses the rupiah exchange rate, with DXY holding on to a high level of 113, responded negatively by investors.

## PRICE OF BENCHMARK SERIES

FR0090 : +10.4 Bps to 93.36 (6.86%)  
FR0091 : +8.7 Bps to 93.41 (7.34%)  
FR0093 : +1.6 Bps to 92.30 (7.23%)  
FR0092 : +2.4 Bps to 98.18 (7.29%)

FR0086 : +2.9 Bps to 95.94 (6.82%)  
FR0087 : +3.1 Bps to 94.60 (7.37%)  
FR0083 : +0.7 Bps to 100.51 (7.44%)  
FR0088 : +12.5 Bps to 90.25 (7.39%)

## CDS of Indonesia Bonds

CDS 2yr: +3.54% to 71.85  
CDS 5yr: +3.22% to 158.75  
CDS 10yr: +2.74% to 230.65

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.37%	0.08%
USDIDR	15,358	0.29%
KRWIDR	10.70	-0.35%

## Global Indices

Index	Last	Chg.	%
Dow Jones	29,239.19	36.31	0.12%
S&P 500	3,588.84	(23.55)	-0.65%
FTSE 100	6,885.23	(74.08)	-1.06%
DAX	12,220.25	(52.69)	-0.43%
Nikkei	26,401.25	(714.86)	-2.64%
Hang Seng	16,832.36	(384.30)	-2.23%
Shanghai	2,979.79	5.65	0.19%
KOSPI	2,192.07	(40.77)	-1.83%
EIDO	23.01	(0.15)	-0.65%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,666.3	(2.3)	-0.14%
Crude Oil (\$/bbl)	89.35	(1.78)	-1.95%
Coal (\$/ton)	391.15	4.65	1.20%
Nickel LME (\$/MT)	22,079	(333.0)	-1.49%
Tin LME (\$/MT)	20,260	175.0	0.87%
CPO (MYR/Ton)	3,692	(145.0)	-3.78%

## 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)	130.80	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	5.95%	4.69%	Cons. Confidence*	117.20	123.20

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	—	Consumer Confidence Index	Sept.	117.2	—	124.7
10 - Oct.	—	—	—	—	—	—	—
<b>Tuesday</b>	—	—	—	—	—	—	—
11 - Oct.	—	—	—	—	—	—	—
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Oct. 7		--	-14.2%
12 - Oct.	US	19:30	PPI Final Demand MoM	Sept.		0.2%	-0.1%
	US	19:30	PPI Final Demand YoY	Sept.		8.4%	8.7%
<b>Thursday</b>	US	01:00	FED Meeting Minutes	Sept. 21		--	--
13 - Oct.	US	19:30	CPI MoM	Sept.		0.2%	0.1%
	US	19:30	CPI YoY	Sept.		8.1%	8.3%
	US	19:30	Initial Jobless Claims	Oct. 8		--	219K
<b>Friday</b>	US	19:30	Retail Sales Advance MoM	Sept.		0.2%	0.3%
14 - Oct.	US	19:30	Retail Sales Ex Auto MoM	Sept.		-0.1%	-0.3%
	US	19:30	Import Price Index MoM	Sept.		-1.1%	-1.0%

Source: Bloomberg

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