

Morning Brief

Daily | Oct. 7, 2022

Today's Outlook:

The volatility of the rupiah makes investors wait and see. Investors are watching the wide volatility of the rupiah, ahead of the release of Cadev data. The latest data shows that Cadev in August was valued at USD132.2 billion or relatively the same from the previous month, indicating a potential for capital inflows to Indonesia amid the sentiment of strengthening USD.

Corporate Bonds

WSBP: Residential Market Modular Sales Lyrics. PT Waskita Beton Precast Tbk (WSBP) is expanding its modular sales to the residential market. The Company has completed 169 residential works for the middle market segment. For upper-middle residential areas, the Company is collaborating with Delta Mas to complete 42 houses in a complex called Savasa. The Company also participated in several housing tenders held by PUPR and other private companies, both at IKN and elsewhere. (Kontan)

Domestic Issue

Exemption of CPO Export Levy until December. The government plans to extend the exemption from crude palm oil (CPO) export levies and reduce it until December 2022. A number of opinions say that this policy can maintain the price of Fresh Fruit Bunches (FFB) at the level of oil palm farmers. This policy will also help reduce the burden on oil palm entrepreneurs so they can buy smallholder FFB at competitive prices. For the record, with zero export levies, local prices can still stay at the level of IDR 10,500 - 11,000 per kg. (Kontan)

Recommendation

Cadev data closed the market over the weekend. Investors are looking forward to the Cadev Indonesia data, amid the relatively wide volatility of the Rupiah exchange rate or in the range of IDR15,150/USD - IDR15,300/USD a week. Although not directly, market players are also anticipating the impact of cutting production in OPEC+ crude oil producing countries by 2 million bpd starting in November 2022. Production cuts reduce global crude oil inventories, resulting in an increase in fuel prices which in turn adds to the burden of inflation.

PRICE OF BENCHMARK SERIES

FR0090 : +3.2 Bps to 94.11 (6.65%)
FR0091 : -0.0 Bps to 94.53 (7.17%)
FR0093 : +1.7 Bps to 92.81 (7.17%)
FR0092 : -3.0 Bps to 98.74 (7.24%)

FR0086 : +1.4 Bps to 96.27 (6.70%)
FR0087 : +0.6 Bps to 95.29 (7.25%)
FR0083 : -0.8 Bps to 100.74 (7.42%)
FR0088 : +0.1 Bps to 91.25 (7.26%)

CDS of Indonesia Bonds

CDS 2yr: -0.03% to 65.62
CDS 5yr: +1.36% to 150.47
CDS 10yr: -0.27% to 214.78

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.20%	-0.01%
USDIDR	15,188	-0.03%
KRWIDR	10.83	0.55%

Global Indices

Index	Last	Chg.	%
Dow Jones	29,926.94	(346.93)	-1.15%
S&P 500	3,744.52	(38.76)	-1.02%
FTSE 100	6,997.27	(55.35)	-0.78%
DAX	12,470.78	(46.40)	-0.37%
Nikkei	27,311.30	190.77	0.70%
Hang Seng	18,012.15	(75.82)	-0.42%
Shanghai	3,024.39	0.00	0.00%
KOSPI	2,237.86	22.64	1.02%
EIDO	23.57	(0.10)	-0.42%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,712.5	(3.7)	-0.22%
Crude Oil (\$/bbl)	88.45	0.69	0.79%
Coal (\$/ton)	400.00	3.75	0.95%
Nickel LME (\$/MT)	22,782	194.0	0.86%
Tin LME (\$/MT)	20,161	(129.0)	-0.64%
CPO (MYR/Ton)	3,700	58.0	1.59%

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	5.95%	4.69%	Cons. Confidence*	124.70	123.20

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	07:30	S&P Global Indonesia PMI Mfg	Sept.	53.7	--	51.7
3 - Oct.	ID	11:00	CPI YoY	Sept.	5.95%	6.00%	4.69%
	ID	11:00	CPI MoM	Sept.	1.17%	1.17%	-0.21%
	ID	11:00	CPI Core YoY	Sept.	3.21	3.50%	3.04%
	ID	11:00	CPI Core YoY	Sept.	3.21	3.50%	3.04%
Tuesday	EC	16:00	PPI MoM	Aug.	5.0%	5.0%	4.0%
4 - Oct.	EC	16:00	PPI YoY	Aug.	43.2%	43.3%	38.0%
	US	21:00	Factory Orders	Aug.	0.0%	0.0%	-1.0%
	US	21:00	Durable Goods Orders	Aug. F	-0.2%	-0.2%	-0.2%
	US	21:00	Durable Goods Orders	Aug. F	-0.2%	-0.2%	-0.2%
Wednesday	US	18:00	MBA Mortgage Applications	Sept. 30	-14.2%	--	-3.7%
5 - Oct.	US	19:15	ADP Employment Change	Sept.	208K	200K	185K
	US	19:30	Trade Balance	Aug.	-\$67.4Bn	-\$67.7Bn	-\$70.5Bn
	US	20:45	S&P Global US Composite PMI	Sept. F	49.5	49.3	49.3
	US	20:45	S&P Global US Composite PMI	Sept. F	49.5	49.3	49.3
Thursday	GE	13:00	Factory Orders MoM	Aug.	-2.4%	-0.7%	1.9%
6 - Oct.	EC	16:00	Retail Sales MoM	Aug.	-0.3%	-0.3%	-0.4%
	US	19:30	Initial Jobless Claims	Oct. 1	219K	204K	190K
	US	19:30	Continuing Claims	Sept. 24	1,361K	1,350K	1,346K
	US	19:30	Continuing Claims	Sept. 24	1,361K	1,350K	1,346K
Friday	US	19:30	Change in NonFarm Payrolls	Sept.		250K	315K
7 - Oct.	US	19:30	Change in Manufact. Payrolls	Sept.		20K	22K
	US	19:30	Unemployment Rate	Sept.		3.7%	3.7%
	US	21:00	Wholesale Inventories MoM	Aug. F		--	1.3%
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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

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st 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

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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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
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