

# Morning Brief

Daily | Oct. 31, 2022

## Today's Outlook:

The **SUN market strengthened**, amid the potentially sloping October inflation rate, or projected at only 0.09% MoM, in line with the normalization of prices for a number of food commodities. NHKSI Research sees the impact of the significant increase in subsidized fuel prices of up to 30%, which has been fully reflected in the inflation rate in September which reached 1.17% MoM.

## Corporate Bonds

**BSDE: Records a Declining of Apartment Demand in 3Q22.** PT Bumi Serpong Damai Tbk (BSDE) stated that the record of apartment demand up to September 2022 was still quite good, even though the demand was facing a decline compared to the same period last year. The declining apartment demand has decreased by 5% to 7% compared to the previous year. The company explained that the existing supply is plenty while the demand is stagnant. (Kontan)

## Domestic Issue

**Ministry of Finance: 3Q22 GDP Projection Grows 5.7%.** The Ministry of Finance projects growth in 3Q22 by 5.7% or higher than the realization of 5.4%. The economic growth was supported by a surge in prices of Indonesia's leading commodities, such as coal, palm oil, and nickel. The increase in global commodity prices has made the state budget and trade balance becomes surplus since the beginning of the year. (CNN Indonesia)

## Recommendation

**Fluctuations in medium-term crude oil prices** will be influenced by US sentiment, which escapes the Recession, OPEC+ production cuts in early November to a ban on Russian oil purchases in early December. During the last week, both WTI and Brent crude oil recorded price increases of around 3% WoW. US GDP 3Q22 QoQ expanded +2.6% (Vs. contractions -0.6% in 2Q22 and -1.6% in 1Q22), which affected the economy to grow an increase in oil demand, making crude oil sentiment dominate the energy sector. On the other hand, improving coal supply and the growth of the NRE generator, which weakens the coal demand, pushed the price of ICE Newcastle down by more than 1% WoW.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.25%	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)	4.99	5.76	Govt. Spending Yoy	-5.24%	-7.74%
Exports Yoy	20.28%	30.15%	FDI (USD bn)	4.28	4.70
Imports Yoy	22.02%	32.81%	Business Confidence	104.82	105.33
Inflation Yoy	5.95%	4.69%	Cons. Confidence*	117.20	124.70

## PRICE OF BENCHMARK SERIES

FR0090 : -5.9 Bps to 92.47 (7.12%)  
FR0091 : -4.1 Bps to 92.41 (7.50%)  
FR0093 : -5.5 Bps to 89.71 (7.54%)  
FR0092 : -3.0 Bps to 95.21 (7.59%)

FR0086 : +2.0 Bps to 95.23 (7.08%)  
FR0087 : -7.0 Bps to 93.63 (7.54%)  
FR0083 : +0.3 Bps to 98.63 (7.62%)  
FR0088 : +0.0 Bps to 88.50 (7.62%)

## CDS of Indonesia Bonds

CDS 2yr: -4.18% to 58.95  
CDS 5yr: -2.51% to 137.75  
CDS 10yr: -3.30% to 198.41

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.53%	-0.05%
USDIDR	15,552	-0.10%
KRWIDR	10.94	-0.32%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,861.80	828.52	2.59%
S&P 500	3,901.06	93.76	2.46%
FTSE 100	7,047.67	(26.02)	-0.37%
DAX	13,243.33	32.10	0.24%
Nikkei	27,105.20	(240.04)	-0.88%
Hang Seng	14,863.06	(564.88)	-3.66%
Shanghai	2,915.93	(66.98)	-2.25%
KOSPI	2,268.40	(20.38)	-0.89%
EIDO	23.74	0.13	0.55%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,644.9	(18.5)	-1.11%
Crude Oil (\$/bbl)	87.90	(1.18)	-1.32%
Coal (\$/ton)	385.70	0.10	0.03%
Nickel LME (\$/MT)	22,384	(286.0)	-1.26%
Tin LME (\$/MT)	18,690	8.0	0.04%
CPO (MYR/Ton)	3,989	(158.0)	-3.81%

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	08:30	Manufacturing PMI	Oct.		49.9	50.1
<i>31 - Oct.</i>	EC	17:00	GDP QoQ	3Q22		0.0%	0.8%
	EC	17:00	GDP YoY	3Q22		1.9%	4.1%
	US	20:45	MNI Chicago PMI	Oct.		47.2	45.7
<b>Tuesday</b>	ID	07:30	S&P Global Indonesia PMI Mfg.	Oct.		--	53.7
<i>1 - Nov.</i>	ID	11:00	CPI YoY	Oct.		5.98%	5.95%
	ID	11:00	CPI MoM	Oct.		0.09%	1.17%
	ID	11:00	CPI Core YoY	Oct.		3.40%	3.21%
<b>Wednesday</b>	GE	14:00	Exports MoM	Sept.		--	3.2%
<i>2 - Nov.</i>	GE	14:00	Imports MoM	Sept.		--	5.2%
	US	18:00	MBA Mortgage Applications	Oct. 28		--	-1.7%
	US	19:15	ADP Employment Change	Oct.		200K	208K
<b>Thursday</b>	US	01:00	FOMC Rate Decision	Nov. 2		3.75%-4.00%	3.00%-3.25%
<i>3 - Nov.</i>	US	19:30	Trade Balance	Sept.		-\$70.2Bn	-\$67.4Bn
	US	21:00	Factory Orders	Sept.		0.4%	0.0%
	US	21:00	Durable Goods Orders	Sept.		--	0.4%
<b>Friday</b>	GE	14:00	Factory Orders MoM	Sept.		-0.4%	-2.4%
<i>4 - Nov.</i>	GE	14:00	Factory Orders YoY	Sept.		--	-4.1%
	US	19:30	Change in NonFarm Payrolls	Oct.		200K	263K
	US	19:30	Unemployment Rate	Oct.		3.6%	3.5%

Source: Bloomberg

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