

Morning Brief

Daily | Oct. 5, 2022

Today's Outlook:

The government only absorbed IDR 755 billion in the Sukuk auction yesterday. Meanwhile, incoming bids reached IDR 7.05 trillion. The nominal value won is below this target, making the government to implement the Green Shoe Option today. Yesterday, the government did not win at all the SPNS04042023 (New Issue) series.

Corporate Bonds

Wijaya Karya Releases IDR 2.5 Trillion Bonds and Sukuk. PT Wijaya Karya Tbk (WIKA) released Mudharabah bonds and sukuk with a total value of IDR 2.5 trillion. This bond is part of the Wijaya Karya Shelf-Registered Public Offering (PUB) with a total target of IDR 4 trillion to raise funds. The bonds released today are WIKA's Sustainable Bonds III Phase I Year 2022 with a principal amount of IDR 2 trillion. (Kontan)

Domestic Issue

Government Debt Reached IDR 7,236.61 Trillion. Government debt is growing. The Ministry of Finance (Kemenkeu) noted that at the end of August 2022, government debt reached IDR 7,236.61 trillion. In nominal terms, the government's debt position increased by IDR 73 trillion compared to the debt position at the end of July 2022 which was IDR 7,163 trillion. Meanwhile, the ratio of government debt to Gross Domestic Product (GDP) is 38.30%. This figure increased slightly with the debt ratio at the end of July 2022 which was 37.91%. (Kontan)

Recommendation

External economic data. US job vacancies as of August, recorded their biggest decline in 2.5 years, and a below-expected Australian rate hike, raised expectations of a FFR hike of not +125Bps (Nov. +75Bps; Dec. +50Bps) through the end of the year. In addition to JOLTS Jobs Openings AS Aug. only 10 Million (Vs. Jul. 11.2 Million); RBA Cash Rate Target Oct. surprised the market with an increase of only +25Bps to 2.60% (Vs. Sept. 2.35%), from market forecast of +50Bps gain. The Reserve Bank of Australia is the first central bank to admit that now is the time for looser monetary policy, after the aggressive Hawkish in 2022.

PRICE OF BENCHMARK SERIES

FR0090 : +3.4 Bps to 94.11 (6.65%)
FR0091 : -6.4 Bps to 94.07 (7.24%)
FR0093 : -1.8 Bps to 92.83 (7.16%)
FR0092 : -2.5 Bps to 98.00 (7.31%)

FR0086 : -3.9 Bps to 96.31 (6.68%)
FR0087 : -4.9 Bps to 94.99 (7.30%)
FR0083 : -1.3 Bps to 100.63 (7.43%)
FR0088 : -9.3 Bps to 91.25 (7.26%)

CDS of Indonesia Bonds

CDS 2yr: -10.61% to 61.52
CDS 5yr: -6.99% to 148.57
CDS 10yr: -8.65% to 204.35

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.27%	-0.07%
USDIDR	15,245	-0.38%
KRWIDR	10.69	0.73%

Global Indices

Index	Last	Chg.	%
Dow Jones	30,316.32	825.43	2.80%
S&P 500	3,790.93	112.50	3.06%
FTSE 100	7,086.46	177.70	2.57%
DAX	12,670.48	461.00	3.78%
Nikkei	26,992.21	776.42	2.96%
Hang Seng	17,079.51	0.00	0.00%
Shanghai	3,024.39	0.00	0.00%
KOSPI	2,209.38	53.89	2.50%
EIDO	24.05	0.49	2.08%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,726.1	26.2	1.54%
Crude Oil (\$/bbl)	86.52	2.89	3.46%
Coal (\$/ton)	404.00	2.50	0.62%
Nickel LME (\$/MT)	22,055	797.0	3.75%
Tin LME (\$/MT)	20,207	148.0	0.74%
CPO (MYR/Ton)	3,614	188.0	5.49%

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
<i>3 - Oct.</i>	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%
Tuesday	EC	16:00	PPI MoM	Aug.	5.0%	5.0%	4.0%
<i>4 - Oct.</i>	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%
Wednesday	US	18:00	MBA Mortgage Applications	Sept. 30		--	-3.7%
<i>5 - Oct.</i>	US	19:15	ADP Employment Change	Sept.		200K	132K
	US	19:30	Trade Balance	Aug.		-\$67.9Bn	-\$70.7Bn
	US	20:45	S&P Global US Composite PMI	Sept. F		--	49.3
Thursday	GE	13:00	Factory Orders MoM	Aug.		-0.5%	-1.1%
<i>6 - Oct.</i>	EC	16:00	Retail Sales MoM	Aug.		-0.4%	0.3%
	US	19:30	Initial Jobless Claims	Oct. 1		--	193K
	US	19:30	Continuing Claims	Sept. 24		--	1,347K
Friday	US	19:30	Change in NonFarm Payrolls	Sept.		250K	315K
<i>7 - Oct.</i>	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%

Source: Bloomberg

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