

# Morning Brief

Daily | Oct. 11, 2022

## Today's Outlook:

**Public optimism decreased**, occurring in all expenditure categories. Consumer Confidence Index Indonesia Sept. fell to the level of 117.2 points (Vs. Aug. 124.7 points), during that period the inflation rate increased significantly, or the annual CPI Headline was close to 6%, and monthly exceeded 1%. Earlier in the week, SUN benchmarks were relatively weak, with FR91 recording a 4bps yield increase to 7.26%.

## Corporate Bonds

**GIAA: Intensify Restructuring.** PT Garuda Indonesia (Persero) Tbk is projecting positive performance in the fourth quarter of 2022; this is in line with the intensive step in implementing overall restructuring. Their optimism is supported by the increased opportunity in public demand for the peak season period at the end of the year. The corporate action realization also assists the optimism through optimizing the production equipment, which is reinforced by the acceleration of the fleet restoration program. (Emiten News)

## Domestic Issue

**Consumer Confidence Index is decreasing.** Public optimism towards the economic condition is decreasing, as can be proven by the Consumer Confidence Index (CCI) which recorded 117,2 on September 2022, following the increase in fuel prices. In that period, the CCI was lower than in August 2022, which is 124,7 yet still stands an optimist level. The down in consumer confidence is recorded in every expenditure category, especially in the respondents with the expenditure of IDR 4 million and IDR 1 million to IDR 5 million. (Bisnis Indonesia)

## Recommendation

**Government Issue five fixed rate series**, in today's SUN auction. The five series are FR95, FR96, FR98, FR97 and FR89, complementing the offering of two short tenor SUNs SPN03230111 (New Issue) and SPN12231012 (New Issue). The government has set an indicative target of IDR 10 trillion, with a maximum target of IDR 15 trillion.

## PRICE OF BENCHMARK SERIES

FR0090 : +6.2 Bps to 93.74 (6.75%)  
FR0091 : +3.8 Bps to 93.98 (7.26%)  
FR0093 : +1.8 Bps to 92.44 (7.21%)  
FR0092 : +2.9 Bps to 98.43 (7.27%)

FR0086 : +5.4 Bps to 96.10 (6.76%)  
FR0087 : +3.6 Bps to 95.08 (7.29%)  
FR0083 : +0.9 Bps to 100.65 (7.43%)  
FR0088 : 0.0 Bps to 91.25 (7.26%)

## 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	7.29%	0.04%
USDIDR	15,313	0.39%
KRWIDR	10.74	-0.57%

## Global Indices

Index	Last	Chg.	%
Dow Jones	29,202.88	(93.91)	-0.32%
S&P 500	3,612.39	(27.27)	-0.75%
FTSE 100	6,959.31	(31.78)	-0.45%
DAX	12,272.94	(0.06)	0.00%
Nikkei	27,116.11	0.00	0.00%
Hang Seng	17,216.66	(523.39)	-2.95%
Shanghai	2,974.15	(50.24)	-1.66%
KOSPI	2,232.84	0.00	0.00%
EIDO	23.16	0.02	0.09%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,668.6	(26.2)	-1.55%
Crude Oil (\$/bbl)	91.13	(1.51)	-1.63%
Coal (\$/ton)	386.50	0.70	0.18%
Nickel LME (\$/MT)	22,412	(75.0)	-0.33%
Tin LME (\$/MT)	20,085	660.0	3.40%
CPO (MYR/Ton)	3,837	137.0	3.70%

## 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	124.70

## 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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