

# Morning Brief

Daily | Oct. 13, 2022

## Today's Outlook:

**SUN Benchmark weakened to a limited extent**, amid the less effective BI 7DRRR level of 4.25%. Yesterday, the rupiah exchange rate touched IDR13,385/USD before finally closing at IDR15,357/USD. Strong Dollar again depresses the rupiah exchange rate, with DXY holding on to a high level of 113, responded negatively by investors.

## Corporate Bonds

**MEDC: Bond Buyback USD 250 Million.** PT Medco Energi Internasional Tbk (MEDC) will repurchase a tender offer worth USD 250 million or around IDR 3.83 trillion. The adjustment of the first debt amount is based on USD 500 million, 6.75% prior debt security's due date in 2025. Followed by USD 650 million, 7.37% prior debt security is due 2026, and USD 650 million, 7.375% prior debt security is due 2027. (Emiten News)

## Domestic Issue

**Domestic Spending Potential Reach IDR 700 Trillion.** The potential for country and regional expenditure (APBN-APBD) that can be utilized to buy domestic products reach over IDR 700 trillion. Such potential funds came from goods, capital, and social assistance expenditures. Moreover, the fiscal incentives provided by the government include import duty facilities, tax allowances, tax holidays, and regional incentives. (Investor Daily)

## Recommendation

**Hawkish yet Dovish.** Not as high as +50Bps, but not as low as +25Bps, the increase in the BI 7DRRR is projected to be +38Bps. According to a Bloomberg survey, BI is projected to raise the BI 7DRRR Oct. to a level of 4.63% (Vs. Sept. 4.25%). NHKSI Research sees the increase in subsidized fuel prices last September will still have an impact on inflation during October. However, inflation is likely to be suppressed by deflation from the foods, beverages, and tobacco categories.

## PRICE OF BENCHMARK SERIES

FR0090 : +3.1 Bps to 93.25 (6.89%)  
FR0091 : +0.3 Bps to 93.44 (7.34%)  
FR0093 : +2.3 Bps to 92.11 (7.25%)  
FR0092 : +1.1 Bps to 98.07 (7.31%)

FR0086 : +0.1 Bps to 95.94 (6.82%)  
FR0087 : +1.2 Bps to 94.53 (7.38%)  
FR0083 : +0.4 Bps to 100.47 (7.45%)  
FR0088 : +5.3 Bps to 90.25 (7.39%)

## CDS of Indonesia Bonds

CDS 2yr: -2.39% to 71.94  
CDS 5yr: -1.92% to 158.45  
CDS 10yr: -0.65% to 233.99

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.36%	-0.01%
USDIDR	15,358	0.00%
KRWIDR	10.78	0.76%

## Global Indices

Index	Last	Chg.	%
Dow Jones	29,210.85	(28.34)	-0.10%
S&P 500	3,577.03	(11.81)	-0.33%
FTSE 100	6,826.15	(59.08)	-0.86%
DAX	12,172.26	(47.99)	-0.39%
Nikkei	26,396.83	(4.42)	-0.02%
Hang Seng	16,701.03	(131.33)	-0.78%
Shanghai	3,025.51	45.71	1.53%
KOSPI	2,202.47	10.40	0.47%
EIDO	23.16	0.15	0.65%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,673.2	6.9	0.41%
Crude Oil (\$/bbl)	87.27	(2.08)	-2.33%
Coal (\$/ton)	403.00	11.85	3.03%
Nickel LME (\$/MT)	22,292	213.0	0.96%
Tin LME (\$/MT)	19,820	(440.0)	-2.17%
CPO (MYR/Ton)	3,736	44.0	1.19%

## 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	-2.0%	--	-14.2%
12 - Oct.	US	19:30	PPI Final Demand MoM	Sept.	0.4%	0.2%	-0.2%
	US	19:30	PPI Final Demand YoY	Sept.	8.5%	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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