

Morning Brief

Daily | Oct. 10, 2022

Today's Outlook:

US economy Resilient, **ready for 4% FFR**. The US labor market is solid, the Unemployment Rate drops to a low of 3.50%; and ADP Employment Change Sept. added +12% MoM, indicating the US economy is poised for further FFR hikes to 4% next November. On the other hand, the tight labor market contrasts with the US manufacturing data pointing to contraction, with ISM Manufacturing Sept. at level 50.9 (Vs. Aug. 52.8).

Corporate Bonds

TBIG: Offers IDR1 T Bonds. PT Tower Bersama Infrastructure Tbk (TBIG) conducted a public offering of Shelf Registration Bonds V Tower Bersama Infrastructure Phase V year 2022 worth IDR1 trillion from 17 - 18 October 2022. The plan is that the proceeds from this bond issuance will be distributed to the company's subsidiary, PT Tower Bersama (TB) to pay the entire principal of the loan worth IDR305.9 billion. (Emiten News)

Domestic Issue

Cadev in September fell to USD 130.8 billion. Indonesia's foreign exchange reserves (cadev) at the end of September 2022 decreased by USD 1.4 billion to USD 130.8 billion from the position at the end of August 2022 of USD 132.2 billion. The cadev position is equivalent to financing 5.9 months of imports or 5.7 months of imports and servicing government external debt, and is above the international adequacy standard of around 3 months of imports. (Kontan)

Recommendation

One of the capital instruments facing a recession, **Indonesia's Cadev fell 1% MoM**. BI's ability to maintain monetary stability or intervene in the foreign exchange market has decreased. Data Cadev Indonesia Sept. fell USD1.4Bn to USD130.8Bn, in line with BI's efforts to keep the Rupiah depreciated by more than 2% MoM last month. Today's SUN market movement, amid waiting for the release of Indonesia's Consumer Confidence Index data Sept.

PRICE OF BENCHMARK SERIES

FR0090 : +3.9 Bps to 93.96 (6.69%)
FR0091 : +4.6 Bps to 94.23 (7.22%)
FR0093 : +2.6 Bps to 92.59 (7.19%)
FR0092 : +0.2 Bps to 98.73 (7.24%)

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: +5.74% to 69.39
CDS 5yr: +2.19% to 153.78
CDS 10yr: +4.51% to 224.48

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.25%	0.05%
USDIDR	15,253	0.43%
KRWIDR	10.80	-0.27%

Global Indices

Index	Last	Chg.	%
Dow Jones	29,296.79	(630.15)	-2.11%
S&P 500	3,639.66	(104.86)	-2.80%
FTSE 100	6,991.09	(6.18)	-0.09%
DAX	12,273.00	(197.78)	-1.59%
Nikkei	27,116.11	(195.19)	-0.71%
Hang Seng	17,740.05	(272.10)	-1.51%
Shanghai	3,024.39	0.00	0.00%
KOSPI	2,232.84	(5.02)	-0.22%
EIDO	23.14	(0.43)	-1.82%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,694.8	(17.7)	-1.03%
Crude Oil (\$/bbl)	92.64	4.19	4.74%
Coal (\$/ton)	385.80	(14.20)	-3.55%
Nickel LME (\$/MT)	22,487	(295.0)	-1.29%
Tin LME (\$/MT)	19,425	(736.0)	-3.65%
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*	124.70	123.20

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	—	Consumer Confidence Index	Sept.		—	124.7
10 - Oct.	—	—	—	—	—	—	—
Tuesday	—	—	—	—	—	—	—
11 - Oct.	—	—	—	—	—	—	—
Wednesday	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%
Thursday	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
Friday	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

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

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

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

Fax : +62 21 5316 1687

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

A Member of NH Investment & Securities Global Network

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