

# Morning Brief

Daily | Oct. 27, 2022

## Today's Outlook:

**Risk-On Investors in SUN.** All SUN Benchmarks posted lower yields, with FR91 dropping 3bps to 7.61%. Risk-On selective investors in the bond market, as yield on GIDR10Y touched an attractive level of 7.65% or 355Bps higher than UST10Y which was at 4.10%.

## Corporate Bonds

**Voksel Electric Bond Issuance Schedule.** PT Voksel Electric Tbk (VOKS) issued IDR 250 billion bonds. The bonds are part of the Shelf-Registered Bonds I Phase I Year 2022 with a principal amount of IDR 250 billion. The bond public offering period will be held on October 26-27 2022. Meanwhile, the allotment date will be October 28, 2022. Then the electronic distribution will be on November 1, 2022 and listing on the Indonesia Stock Exchange (IDX) on November 2, 2022. (Kontan)

## Domestic Issue

**The 2023 State Budget Deficit Will Return Below 3% of GDP.** The government returned the deficit to return the state budget next year to become normal again after having to work harder due to the shock of the last Covid-19 pandemic. For information, the 2023 state budget deficit is set at 2.84% of GDP or nominally IDR598.2 trillion. Gradually, the state budget deficit has decreased from 6.14% in 2020 to 4.57% in 2021, then down to 4.50% in Presidential Regulation no. 98 of 2022. (Kontan)

## Recommendation

**The October inflation rate is subsiding.** Based on a Bloomberg Survey, Indonesia's Headline Inflation rate for October is projected to be only 0.09% MoM. Besides the normalization of several food commodity prices, NHKSI Research sees the impact of the significant increase in subsidized fuel prices by up to 30%, as reflected in the September inflation rate. Headline Inflation in September reached 1.17% MoM, compared to August, which recorded deflation of 0.21% MoM.

## PRICE OF BENCHMARK SERIES

FR0090 : -1.6 Bps to 91.79 (7.31%)  
FR0091 : -2.9 Bps to 91.76 (7.61%)  
FR0093 : -1.7 Bps to 88.67 (7.67%)  
FR0092 : -0.6 Bps to 94.67 (7.65%)

FR0086 : -3.9 Bps to 95.07 (7.13%)  
FR0087 : -0.3 Bps to 93.06 (7.64%)  
FR0083 : +10.1 Bps to 98.77 (7.62%)  
FR0088 : +135.3 Bps to 88.60 (7.60%)

## CDS of Indonesia Bonds

CDS 2yr: -7.09% to 62.55  
CDS 5yr: -7.35% to 144.96  
CDS 10yr: -5.70% to 207.56

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.64%	-0.03%
USDIDR	15,570	-0.34%
KRWIDR	10.91	0.10%

## Global Indices

Index	Last	Chg.	%
Dow Jones	31,839.11	2.37	0.01%
S&P 500	3,830.60	(28.51)	-0.74%
FTSE 100	7,056.07	42.59	0.61%
DAX	13,195.81	142.85	1.09%
Nikkei	27,431.84	181.56	0.67%
Hang Seng	15,317.67	152.08	1.00%
Shanghai	2,999.50	23.22	0.78%
KOSPI	2,249.56	14.49	0.65%
EIDO	23.65	(0.04)	-0.17%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,664.6	11.4	0.69%
Crude Oil (\$/bbl)	87.91	2.59	3.04%
Coal (\$/ton)	386.50	(1.65)	-0.43%
Nickel LME (\$/MT)	22,670	348.0	1.56%
Tin LME (\$/MT)	18,682	205.0	1.11%
CPO (MYR/Ton)	4,121	(6.0)	-0.15%

## 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

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	EC	15:00	S&P Global Eurozone Mfg. PMI	Oct. P	46.6	47.9	48.4
24 - Oct.	US	20:45	S&P Global US Manufacturing PMI	Oct. P	49.9	51.0	52.0
	US	20:45	S&P Global US Services PMI	Oct. P	46.6	49.5	49.3
	US	20:45	S&P Global US Composite PMI	Oct. P	47.3	49.2	49.5
	US	21:00	Conf. Board Consumer Confidence	Oct.	102.5	105.9	107.8
<b>Tuesday</b>	—	—	—	—	—	—	—
25 - Oct.	US	18:00	MBA Mortgage Applications	Oct. 21	-1.7%	--	-4.5%
	US	19:30	Wholesale Inventories MoM	Sept. P	0.8%	1.0%	1.4%
	US	19:30	Retail Inventories MoM	Sept.	0.4%	1.2%	1.4%
	US	21:00	New Home Sales	Sept.	603K	580K	677K
<b>Thursday</b>	US	19:30	GDP Annualized QoQ	3Q A		2.3%	-0.6%
	US	19:30	Durable Goods Orders	Sept. P		0.6%	-0.2%
	US	19:30	Personal Consumption	3Q A		0.8%	2.0%
	US	19:30	Initial Jobless Claims	Oct. 22		225K	214K
<b>Friday</b>	US	19:30	Personal Income	Sept.		0.4%	0.3%
	US	19:30	Personal Spending	Sept.		0.4%	0.4%
	US	21:00	U. of Mich. 1Y Inflation	Oct. F		--	5.1%
	US	21:00	U. of Mich. 5-10Y Inflation	Oct. F		2.9%	2.9%

Source: Bloomberg

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