

# Morning Brief

Daily | Oct. 26, 2022

## Today's Outlook:

**Investors are watching the US Manufacturing data.** All SUN Benchmarks recorded an increase in yield yesterday. US S&P Global data shows Mfg. PMI Oct. started contracting or was at the level of 49.9 (Vs. Sept. 52), indicating the Fed has succeeded in slowing down domestic business activity. The services sector contracted deeper, or the Services PMI fell to a level of 46.6 (Vs. Sept. 49.3), at the same time making the Composite PMI contracted to a level of 47.3 (Vs. 49.5), raising hopes the Fed can start slow down the rate of increase in FFR.

## Corporate Bonds

**Pefindo Gets Bond Mandate of IDR 39.32 Trillion.** PT Pemeringkat Efek Indonesia (Pefindo) received a mandate to process the issuance of debt securities of IDR 39.32 trillion until the third quarter of 2022. Meanwhile, the mandate of the corporate bonds came from 29 companies with various sectors. (Liputan6.com)

## Domestic Issue

**Ministry of Finance Obtains Financing of IDR 12.15 Trillion.** The Directorate General of Budget Financing and Risk Management, Ministry of Finance, received financing of IDR 12.15 trillion from the auction of Government Bonds on Tuesday (25/10). In the auction, the government received bids of up to IDR 17.09 trillion. In detail, investors' interest in that auction increased compared to the previous auction of IDR 15 trillion amid solid domestic macroeconomic conditions and the state budget performance, which still recorded a surplus at the end of September. (Berita Satu)

## Recommendation

**Selective Risk-On investors in SUN.** The results of the SUN auction recorded investor entry bids of up to IDR 17.1 Trillion; surpassed the SUN auction two weeks earlier by IDR 15 Trillion. 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%.

## PRICE OF BENCHMARK SERIES

FR0090 : +2.2 Bps to 91.73 (7.32%)  
FR0091 : +3.3 Bps to 91.57 (7.64%)  
FR0093 : +3.1 Bps to 88.53 (7.68%)  
FR0092 : +0.8 Bps to 94.62 (7.65%)

FR0086 : -0.4 Bps to 94.95 (7.16%)  
FR0087 : +2.9 Bps to 93.04 (7.64%)  
FR0083 : -1.5 Bps to 99.73 (7.52%)  
FR0088 : -130.1 Bps to 99.95 (6.25%)

## CDS of Indonesia Bonds

CDS 2yr: -5.07% to 67.33  
CDS 5yr: -0.49% to 156.47  
CDS 10yr: -4.19% to 220.13

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.67%	0.04%
USDIDR	15,623	0.23%
KRWIDR	10.90	0.69%

## Global Indices

Index	Last	Chg.	%
Dow Jones	31,836.74	337.12	1.07%
S&P 500	3,859.11	61.77	1.63%
FTSE 100	7,013.48	(0.51)	-0.01%
DAX	13,052.96	121.51	0.94%
Nikkei	27,250.28	275.38	1.02%
Hang Seng	15,165.59	(15.10)	-0.10%
Shanghai	2,976.28	(1.27)	-0.04%
KOSPI	2,235.07	(1.09)	-0.05%
EIDO	23.69	(0.01)	-0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,653.2	3.4	0.21%
Crude Oil (\$/bbl)	85.32	0.74	0.87%
Coal (\$/ton)	388.15	(1.85)	-0.47%
Nickel LME (\$/MT)	22,322	74.0	0.33%
Tin LME (\$/MT)	18,477	27.0	0.15%
CPO (MYR/Ton)	4,127	26.0	0.63%

## 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
<b>Tuesday</b>	US	21:00	Conf. Board Consumer Confidence	Oct.		105.7	108.0
25 - Oct.	—	—	—	—	—	—	—
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Oct. 21		--	-4.5%
26 - Oct.	US	19:30	Wholesale Inventories MoM	Sept. P		1.0%	1.3%
	US	19:30	Retail Inventories MoM	Sept.		1.2%	1.4%
	US	21:00	New Home Sales	Sept.		581K	685K
<b>Thursday</b>	US	19:30	GDP Annualized QoQ	3Q A		2.3%	-0.6%
27 - Oct.	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%
28 - Oct.	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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