

# Morning Brief

Daily | Oct. 14, 2022

## Today's Outlook:

**The tug-of-war for the November BI 7DRR survey.** NHKSI Research sees that the increase in subsidized fuel prices last September, still had an impact on October inflation, but it is likely to be reduced by deflation in a number of food, beverage and tobacco groups. Until now, the survey noted that the November BI 7DRR is projected to rise in the range of 25 bps to 50 bps.

## Corporate Bonds

**SMRA: Launch Summarecon Crown Gading.** PT Summarecon Agung Tbk (SMRA) opened a new area, namely Summarecon Crown Gading (SGC), covering an area of 437 Ha. The company stated that Summarecon Crown Gading is the 8th developing city-scale area by Summarecon, after Kelapa Gading, Serpong, Bekasi, Bandung, Karawang, Makassar, and Bogor. The development of this area is the result of a joint venture collaboration between Summarecon and Duta Putra Land. (Emiten News)

## Domestic Issue

**Carbon Tax Implementation Will Apply on 2025.** The government has postponed the carbon tax implementation twice. The implementation, which was supposed to be implemented in July 2022, was delayed. Coordinating Minister for Economic Affairs, Airlangga Hartanto, stated that the government will start implementing the carbon tax in the upcoming 2025. He said that this policy is a form of the government's commitment to reduce greenhouse gas emissions or to achieve the net zero emission target in 2060. (Kontan)

## Recommendation

**US high inflation remains above 8% YoY.** The soaring of rental housing and food costs kept the inflation high, or the pace US CPI Headline on Sept. was 0.4% MoM (Aug. 0.1% MoM) and 8.2% YoY (Aug. 8.3% YoY), reinforcing expectation of the fourth hike on FFR 75 Bps in November, according to CME FedWatch. Furthermore, with the PPI and CPI data that remain at high levels, it is likely to make the US PCE Core Deflator Sept. surpass the level of 5% YoY (Vs. Aug. 4.9% YoY). The data will be released at the end of the month.

## 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

## PRICE OF BENCHMARK SERIES

FR0090 : +0.7 Bps to 93.23 (6.90%)  
FR0091 : -1.5 Bps to 93.53 (7.33%)  
FR0093 : +4.0 Bps to 91.77 (7.29%)  
FR0092 : +2.0 Bps to 97.86 (7.33%)

FR0086 : +0.4 Bps to 95.93 (6.82%)  
FR0087 : -1.3 Bps to 94.61 (7.37%)  
FR0083 : +0.9 Bps to 100.38 (7.46%)  
FR0088 : +3.2 Bps to 90.00 (7.42%)

## CDS of Indonesia Bonds

CDS 2yr: +0.03% to 71.96  
CDS 5yr: -0.01% to 158.43  
CDS 10yr: +0.07% to 234.16

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.35%	-0.01%
USDIDR	15,362	0.03%
KRWIDR	10.73	-0.41%

## Global Indices

Index	Last	Chg.	%
Dow Jones	30,038.72	827.87	2.83%
S&P 500	3,669.91	92.88	2.60%
FTSE 100	6,850.27	24.12	0.35%
DAX	12,355.58	183.32	1.51%
Nikkei	26,237.42	(159.41)	-0.60%
Hang Seng	16,389.11	(311.92)	-1.87%
Shanghai	3,016.36	(9.15)	-0.30%
KOSPI	2,162.87	(39.60)	-1.80%
EIDO	23.08	(0.08)	-0.35%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,666.4	(6.8)	-0.41%
Crude Oil (\$/bbl)	89.11	1.84	2.11%
Coal (\$/ton)	393.50	(9.50)	-2.36%
Nickel LME (\$/MT)	22,427	135.0	0.61%
Tin LME (\$/MT)	20,100	280.0	1.41%
CPO (MYR/Ton)	3,665	(71.0)	-1.90%

## 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.	0.4%	0.2%	0.1%
	US	19:30	CPI YoY	Sept.	8.2%	8.1%	8.3%
	US	19:30	Initial Jobless Claims	Oct. 8	228K	225K	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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