

Morning Brief

Daily | Oct. 25, 2022

Today's Outlook:

SUN Benchmarks were mixed earlier in the week. Yesterday, investors were waiting for Eurozone and US manufacturing data, amid the risk of a global economic recession in 2023. Furthermore, this week's market sentiment is dominated by the release of external economic data. Based on Bloomberg data, yields on FR91, FR93 and FR92 were each at the same level, or recorded yields at the level of 7.6%.

Corporate Bonds

BBTN: Strengthen Their Partnership with Ministry of Public Works and Housing. PT Bank Tabungan Negara (Persero) Tbk (BBTN) has partnered with the Ministry of Public Works and Housing to boost the placement of third-party funds and credit expansion, especially for institutional customers. Bank BTN is entrusted by the Ministry of Public Works and Housing to provide banking service facilities, including facilities for managing work unit accounts in cash and non-cash and savings facilities for receiving employee expenditure payments. (Emiten News)

Domestic Issue

E-commerce Transactions Jump 22.1%. Bank of Indonesia (BI) recorded that throughout 1H22, the total value of e-commerce transactions reached IDR 227.8 trillion, an increase of 22.1% YoY. There was also a significant increase in terms of volume. Throughout 6M22, the total volume of e-commerce transactions was recorded at 1.74 million or grew 39.9% YoY. Digital economic and financial transactions are increasingly expanding to various societies and even becoming a preference and new habit. (Kontan)

Recommendation

US manufacturing activity contracted. US S&P Global data showed Mfg. PMI Oct. began to contract or was at 49.9 (Vs. Sept. 52), indicating the Fed managed to slow domestic business activity. As for the services sector, the contraction is seen to be more profound as PMI Services fell to 46.6 (Vs. Sept. 49.3). This occurrence affects the PMI Composite to be contracted as well to the level of 47.3 (Vs. 49.5), raising hopes that the Fed could begin to slow the hike of FFR pace. The bond market, which tends to be conservative and skeptical, remains worried about the Ultra Hawkish stance of the Fed. UST2Y yields have risen again to 4.5%, with UST10Y reaching 4.3%. Bond investors see the Fed Fund Future survey and project an FFR rise of +75 Bps in November to have a probability of almost 100%, while the December FFR is +75 Bps of 50%.

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

PRICE OF BENCHMARK SERIES

FR0090 : +0.6 Bps to 91.81 (7.30%)
FR0091 : -2.0 Bps to 91.78 (7.60%)
FR0093 : +1.5 Bps to 88.77 (7.65%)
FR0092 : +2.0 Bps to 94.69 (7.65%)

FR0086 : -1.7 Bps to 94.93 (7.17%)
FR0087 : -0.8 Bps to 93.21 (7.61%)
FR0083 : +0.6 Bps to 99.58 (7.54%)
FR0088 : +12.1 Bps to 89.00 (7.55%)

CDS of Indonesia Bonds

CDS 2yr: -0.17% to 70.93
CDS 5yr: -1.22% to 157.24
CDS 10yr: -0.20% to 229.77

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.64%	-0.01%
USDIDR	15,587	-0.29%
KRWIDR	10.83	-0.21%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,499.62	417.06	1.34%
S&P 500	3,797.34	44.59	1.19%
FTSE 100	7,013.99	44.26	0.64%
DAX	12,931.45	200.55	1.58%
Nikkei	26,974.90	84.32	0.31%
Hang Seng	15,180.69	(1030.43)	-6.36%
Shanghai	2,977.56	(61.37)	-2.02%
KOSPI	2,236.16	23.04	1.04%
EIDO	23.70	0.06	0.25%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,649.8	(7.9)	-0.48%
Crude Oil (\$/bbl)	84.58	(0.47)	-0.55%
Coal (\$/ton)	390.00	0.00	0.00%
Nickel LME (\$/MT)	22,248	299.0	1.36%
Tin LME (\$/MT)	18,450	(34.0)	-0.18%
CPO (MYR/Ton)	4,101	5.0	0.12%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	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
Tuesday	US	21:00	Conf. Board Consumer Confidence	Oct.		105.7	108.0
25 - Oct.	—	—	—	—	—	—	—
Wednesday	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
Thursday	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
Friday	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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