

Morning Brief

Daily | Nov. 14, 2022

Today's Outlook:

US inflation is flattening. The high base of inflation in 2021 and the disinflation of several goods and services suppressed the US Headline Inflation in Oct. down to 7.7% YoY. According to CME Fed Watch, this occurrence drives the probability of an increase in the Dec. FFR of just +50Bps, up from 52% to 85%. Fed Pivot expectations in Dec. also supported by the depressed labor data, as US Initial Jobless Claims rise by 3% a week. The Fed Pivot sentiment also boosted a number of commodities, such as oil and gold, along with pressure on the DXY.

Corporate Bonds

FREN: Revenue Up 8.5%. PT Smartfren Telecom Tbk (FREN) recorded operating revenues of IDR8.29 trillion throughout 9M22, an increase of 8.5% YoY. Operating expenses rose to IDR7.85 trillion while operating profit rose to IDR436.55 billion. Additionally, the current period's net profit attributable to the parent entity's owners was recorded at IDR1.64 trillion. (Emiten News)

Domestic Issue

Second Week of November 2022, Inflation of 0.11% Occurred. After recording a deflation of 0.11% MoM in October 2022, the Consumer Price Index (CPI) is expected to experience inflation again in November 2022. Based on the Bank Indonesia (BI) price monitoring survey in the second week of November 2022, inflation growth up to the second week of this month is estimated at 0.11% MoM. BI recorded the main commodity contributing to inflation in November 2022 up to the second week, purebred chicken eggs, which were at 0.02% MoM. (Kontan)

Recommendation

BI is projected to be hawkish again as they raise the BI 7DRR +50Bps for the second time later on Thursday (17/11) at the BI RDG. This raising becomes a negative catalyst for the Technology Sector, which has strengthened by more than 4% in a week. Besides the increase in prices of several food commodities, November inflation, amid the disbursement of Direct Cash Assistant (BLT) in fuel Phase 2, will increase the consumption of the Middle to Low community.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.25%	Real GDP	5.72%	5.44%
FX Reserve (USD bn)	130.20	130.80	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	4.99	5.76	Govt. Spending Yoy	-2.88%	-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	5.71%	5.95%	Cons. Confidence*	117.20	124.70

PRICE OF BENCHMARK SERIES

FR0090 : -0.5 Bps to 93.29 (6.91%)
FR0091 : -25.3 Bps to 95.45 (7.04%)
FR0093 : -18.5 Bps to 95.75 (6.83%)
FR0092 : -18.5 Bps to 100.87 (7.04%)

FR0086 : -13.7 Bps to 95.80 (6.89%)
FR0087 : -14.5 Bps to 95.29 (7.26%)
FR0083 : -1.9 Bps to 99.23 (7.57%)
FR0088 : -0.0 Bps to 90.25 (7.39%)

CDS of Indonesia Bonds

CDS 2yr: -16.64% to 42.48
CDS 5yr: -15.88% to 105.96
CDS 10yr: -13.08% to 168.95

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.07%	-0.26%
USDIDR	15,494	-1.26%
KRWIDR	11.75	3.14%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,747.86	32.49	0.10%
S&P 500	3,992.93	36.56	0.92%
FTSE 100	7,318.04	(57.30)	-0.78%
DAX	14,224.86	78.77	0.56%
Nikkei	28,263.57	817.47	2.98%
Hang Seng	17,325.66	1244.62	7.74%
Shanghai	3,087.29	51.16	1.69%
KOSPI	2,483.16	80.93	3.37%
EIDO	23.75	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,771.2	15.8	0.90%
Crude Oil (\$/bbl)	88.96	2.49	2.88%
Coal (\$/ton)	326.80	2.55	0.79%
Nickel LME (\$/MT)	26,925	976.0	3.76%
Tin LME (\$/MT)	21,315	991.0	4.88%
CPO (MYR/Ton)	4,287	109.0	2.61%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
14 - Nov.	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Oct.		\$4,236Mn	\$4,990Mn
15 - Nov.	ID	11:00	Exports / Imports YoY	Oct.		13.20% / 24.25%	20.28% / 22.02%
	US	20:30	PPI Final Demand MoM / YoY	Oct.		0.5% / 8.3%	0.4% / 8.5%
	US	20:30	PPI Core MoM / YoY	Oct.		0.4% / 7.2%	0.3% / 7.2%
Wednesday	US	19:00	MBA Mortgage Applications	Nov. 11		--	-0.1%
16 - Nov.	US	20:30	Retail Sales Advance MoM	Oct.		0.9%	0.0%
	US	21:15	Industrial Production MoM	Oct.		0.2%	0.4%
	US	21:15	Capacity Utilization	Oct.		80.4%	80.3%
Thursday	ID	14:20	BI 7DRR	Nov. 17		5.25%	4.75%
17 - Nov.	US	20:30	Housing Starts	Oct.		1,420K	1,439K
	US	20:30	Building Permits	Oct.		1,517K	1,564K
	US	20:30	Initial Jobless Claims	Nov. 12		--	225K
Friday	ID	10:00	BoP Current Account Balance	3Q22		\$2,500Mn	\$3,900Mn
18 - Nov.	US	22:00	Existing Home Sales	Oct.		4.37Mn	4.71Mn
	US	22:00	Existing Home Sales	Oct.		-7.3%	-1.5%
	US	22:00	Leading Index	Oct.		-0.4%	-0.4%

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

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@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

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

Telp : +62 411 361 5255

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