

# Morning Brief

Daily | Nov. 11, 2022

## Today's Outlook:

**Inflation below 8% ahead of the year-end holiday.** The high base inflation in 2021 and the disinflation of several goods and services in the Oct. period suppressed the US Headline Oct. YoY dropped to 7.7% (Vs. Sept. 8.2%). The slowing down of inflation is pushing the probability of an increase in the FFR Des. for only +50Bps (Vs. +75Bps), up from 52% to 85%, according to CME Fed Watch. Fed Pivot expectations on Des., also supported by depressed labor data, with US Initial Jobless Claims for the week ending Nov. 5, up by 3% WoW.

## Corporate Bonds

**PTPP: Profit Accumulated at IDR141.02 Billion.** PT PP (Persero) Tbk (PTPP) achieved a net profit of IDR141.02 billion or grew 8.9% YoY throughout 9M22. The company recorded operating revenue at IDR13.46 trillion, an increase of 20% YoY. Furthermore, cost of revenue was recorded at IDR11.64 trillion, an increase of 18% YoY. Meanwhile, gross profit soared by 27% YoY to IDR1.81 trillion. (Emiten News)

## Domestic Issue

**The Government Stops Providing VAT Incentives Borne by The Government.** The government decided to stop providing Value Added Tax (VAT) incentives borne by the government for landed houses or flats and tax incentives in the form of sales tax on luxury goods. The government's decision was taken by looking at the condition of the recovered automotive and property sectors.

## Recommendation

**BI is back to Hawkish,** with BI 7DRR Nov. up by +50Bps, according to a Bloomberg survey. The increase of food commodity prices in the Nov. period made BI to be projected rising the BI 7DRR by +50Bps in Nov., to 5.25% (Vs. Oct. 4.75%).

## PRICE OF BENCHMARK SERIES

FR0090 : -0.5 Bps to 92.59 (7.10%)  
FR0091 : -3.1 Bps to 93.78 (7.29%)  
FR0093 : -0.2 Bps to 94.12 (7.02%)  
FR0092 : +0.3 Bps to 99.35 (7.18%)

FR0086 : +0.6 Bps to 95.39 (7.03%)  
FR0087 : -1.6 Bps to 94.42 (7.41%)  
FR0083 : -2.2 Bps to 99.06 (7.59%)  
FR0088 : -22.3 Bps to 90.25 (7.62%)

## CDS of Indonesia Bonds

CDS 2yr: +0.24% to 50.96  
CDS 5yr: +1.51% to 125.98  
CDS 10yr: +0.18% to 194.38

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.32%	-0.03%
USDIDR	15,691	0.19%
KRWIDR	11.39	-0.72%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,715.37	1201.43	3.70%
S&P 500	3,956.37	207.80	5.54%
FTSE 100	7,375.34	79.09	1.08%
DAX	14,146.09	479.77	3.51%
Nikkei	27,446.10	(270.33)	-0.98%
Hang Seng	16,081.04	(277.48)	-1.70%
Shanghai	3,036.13	(12.04)	-0.40%
KOSPI	2,402.23	(22.18)	-0.91%
EIDO	23.77	0.46	1.97%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,755.5	48.7	2.85%
Crude Oil (\$/bbl)	86.47	0.64	0.75%
Coal (\$/ton)	324.25	(0.50)	-0.15%
Nickel LME (\$/MT)	25,949	1261.0	5.11%
Tin LME (\$/MT)	20,324	507.0	2.56%
CPO (MYR/Ton)	4,178	(20.0)	-0.48%

## 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

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	10:00	Foreign Reserves	Oct.	\$130.20Bn	--	\$130.80Bn
7 - Nov.	ID	11:00	GDP QoQ	3Q22	1.81%	1.71%	3.72%
	ID	11:00	GDP YoY	3Q22	5.72%	5.60%	5.45%
	CH	--	Imports YoY	Oct.	-0.7%	0.0%	0.3%
<b>Tuesday</b>	ID	--	Consumer Confidence Index	Oct.	120.3	--	117.2
8 - Nov.	EC	17:00	Retail Sales MoM	Sept.	0.4%	0.4%	0.0%
	EC	17:00	Retail Sales YoY	Sept.	-0.6%%	-1.1%	-1.4%
<b>Wednesday</b>	CH	08:30	PPI YoY	Oct.	-1.3%	-1.5%	0.9%
9 - Nov.	CH	08:30	CPI YoY	Oct.	2.1%	2.4%	2.8%
	US	19:00	MBA Mortgage Applications	Nov. 4	-0.1%	--	-0.5%
	US	22:00	Wholesale Inventories MoM	Sept.	0.6%	0.8%	0.8%
<b>Thursday</b>	US	20:30	CPI Headline MoM / YoY	Oct.	0.4%/7.7%	0.7% / 8.0%	0.4% / 8.2%
10 - Nov.	US	20:30	CPI Core MoM / YoY	Oct.	0.3%/6.3%	0.5% / 6.6%	0.6% / 6.6%
	US	20:30	Initial Jobless Claims	Nov. 5	225K	--	217K
	US	20:30	Continuing Claims	Oct. 29	1,493K	--	1,485K
<b>Friday</b>	GE	14:00	CPI MoM	Oct.		0.9%	0.9%
11 - Nov.	GE	14:00	CPI YoY	Oct.		10.4%	10.4%
	US	22:00	U. Of Mich. Sentiment	Nov.		59.6	59.9

Source: Bloomberg

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