

Morning Brief

Daily | Nov. 21, 2022

Today's Outlook:

Wait and see ahead of the release of BI 7DRR, and the fading effect of US inflation, colored the market for a week. The BI 7DRR data which was just released on Thursday afternoon before the closing of the stock exchange, followed by trading on Friday or the weekend, made NHKSI Research view investors as relatively defensive, and potentially making more investment decisions in this week's trading.

Corporate Bonds

INKP: 9M22 Profit Increase by 65%. PT Indah Kiat Pulp & Paper Tbk (INKP) scored a net profit of USD647.18 million in 9M22, an increase of 65.8% YoY. The sales grew by 19.63% to USD2.998 billion, supported by the increase in sales of industrial paper, tissues, and others which raised by 6.2% to USD1.131 billion. Although the cost of goods sold rose 8.18% to USD1.784 billion, gross profit remains to increase by 41.5% to USD1.213 billion. (Emiten News)

Domestic Issue

Indonesia's 3Q22 Balance of Payments Having a USD1.3 Billion Deficit. Indonesia's Balance of Payments (BOP) recorded a deficit of USD1.3 billion in 3Q22. Despite the deficit result, BOP is still considered strong enough to support external resilience. It is recorded that the current account surplus was USD4.4 billion or 1.3% of the Gross Domestic Product (GDP). The current account value is higher than the previous quarter's surplus, which was USD4 billion or 1.2% of GDP. (Kontan)

Recommendation

The lack of domestic sentiments this week has made investors digest **the impact of the BI 7DRR 50Bps rise for the third time**. As for external sentiment, China is projected to hold back its benchmark lending rate to support economic growth without lowering the Yuan. According to a Bloomberg survey, data showed that China's 1Y and 5Y Loan Prime Rates in Nov. are projected at 3.65% and 4.30%, respectively (Vs. Oct. 3.65% and 4.30%). The People's Bank of China (PBOC) is predicted again to maintain its benchmark lending rate for the third month straight, propping up an economic slowdown and anticipating capital outflows from China.

PRICE OF BENCHMARK SERIES

FR0090 : +2.9 Bps to 93.65 (6.81%)
FR0091 : +1.5 Bps to 95.53 (7.03%)
FR0093 : +0.0 Bps to 94.52 (6.97%)
FR0092 : +1.0 Bps to 99.77 (7.14%)

FR0086 : -1.0 Bps to 96.03 (6.82%)
FR0087 : +1.6 Bps to 96.17 (7.12%)
FR0083 : +1.8 Bps to 101.30 (7.36%)
FR0088 : -43.9 Bps to 91.97 (7.18%)

CDS of Indonesia Bonds

CDS 2yr: -3.20% to 44.89
CDS 5yr: -2.23% to 111.50
CDS 10yr: -2.69% to 176.55

Government Bond Yields & FX

| | Last | Chg. |
|----------------|--------|-------|
| Tenor: 10 year | 7.06% | 0.02% |
| USDIDR | 15,688 | 0.16% |
| KRWIDR | 11.70 | 0.05% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|---------|--------|
| Dow Jones | 33,745.69 | 199.37 | 0.59% |
| S&P 500 | 3,965.34 | 18.78 | 0.48% |
| FTSE 100 | 7,385.52 | 38.98 | 0.53% |
| DAX | 14,431.86 | 165.48 | 1.16% |
| Nikkei | 27,899.77 | (30.80) | -0.11% |
| Hang Seng | 17,992.54 | (53.12) | -0.29% |
| Shanghai | 3,097.24 | (18.19) | -0.58% |
| KOSPI | 2,444.48 | 1.58 | 0.06% |
| EIDO | 23.19 | 0.27 | 1.18% |

Commodities

| Commodity | Last | Chg. | % |
|--------------------|---------|---------|--------|
| Gold (\$/troy oz.) | 1,750.7 | (9.8) | -0.55% |
| Crude Oil (\$/bbl) | 80.08 | (1.56) | -1.91% |
| Coal (\$/ton) | 343.45 | 8.85 | 2.64% |
| Nickel LME (\$/MT) | 25,385 | 321.0 | 1.28% |
| Tin LME (\$/MT) | 22,664 | 80.0 | 0.35% |
| CPO (MYR/Ton) | 3,850 | (172.0) | -4.28% |

Indonesia Macroeconomic Data

| Monthly Indicators | Last | Prev. | Quarterly Indicators | Last | Prev. |
|------------------------|--------|--------|----------------------|--------|--------|
| BI 7 Day Rev Repo Rate | 5.25% | 4.75% | 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) | 5.67 | 4.99 | Govt. Spending Yoy | -2.88% | -7.74% |
| Exports Yoy | 12.30% | 20.28% | FDI (USD bn) | 4.28 | 4.70 |
| Imports Yoy | 17.44% | 22.02% | Business Confidence | 104.82 | 105.33 |
| Inflation Yoy | 5.71% | 5.95% | Cons. Confidence* | 120.30 | 117.20 |

Global & Domestic Economic Calendar

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|----------------------------|---------|--------|-----------|----------|
| Monday | CH | 08:15 | 1Y Loan Prime Rate | Nov. 21 | | 3.65% | 3.65% |
| 21 - Nov. | CH | 08:15 | 5Y Loan Prime Rate | Nov. 21 | | 4.30% | 4.30% |
| | GE | 14:00 | PPI MoM | Oct. | | 0.6% | 2.3% |
| | GE | 14:00 | PPI YoY | Oct. | | 42.1% | 45.8% |
| Tuesday | — | — | — | — | — | — | — |
| 22 - Nov. | — | — | — | — | — | — | — |
| Wednesday | US | 19:00 | MBA Mortgage Applications | Nov. 18 | | -- | 2.7% |
| 23 - Nov. | US | 20:30 | Initial Jobless Claims | Nov. 19 | | 225K | 222K |
| | US | 22:00 | U. Of Mich. 1-Yr Inflation | Nov. | | 5.1% | 5.1% |
| | US | 22:00 | New Home Sales MoM | Oct. | | -5.5% | -10.0% |
| Thursday | US | 02:00 | FOMC Meeting Minutes | Nov. 2 | | -- | -- |
| 24 - Nov. | GE | 16:00 | IFO Business Climate | Nov. | | 85.0 | 84.3 |
| | GE | 16:00 | IFO Current Assessment | Nov. | | 93.8 | 94.1 |
| | GE | 16:00 | IFO Expectations | Nov. | | 77.0 | 75.6 |
| Friday | GE | 14:00 | Private Consumption QoQ | 3Q | | 0.3% | 0.3% |
| 25 - Nov. | GE | 14:00 | Government Spending QoQ | 3Q | | 0.9% | 2.3% |
| | GE | 14:00 | GDP QoQ | 3Q F | | 0.3% | 0.3% |
| | GE | 14:00 | GDP YoY | 3Q F | | 1.1% | 1.1% |

Source: Bloomberg

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