

Morning Brief

Daily | Nov. 4, 2022

Today's Outlook:

The labor market remains solid, keeping the Fed on an Aggressive Hawkish path. In fact, speculation arose that the peak of FFR FY22 stands at the level of 5% or an increase of December FFR by +100Bps after the market opinions were split between 50Bps-75Bps. The Nasdaq weakened, by 180 points, as UST10Y yields again approached an All-Time High of 4.2%; pressed Big Cap. Tech. Stock, Apple Inc., and Alphabet Inc. fell by 4%. Labor data showed that the U.S. Initial Jobless Claims for the week ended Oct. 29 remained low, or as many as 217K claims, relatively the same as the previous week. Investors also focus on another labor data, Change in NonFarm Payrolls U.S. Oct, which will be released this Friday.

Corporate Bonds

LPKR: Pocketing Marketing Sales of IDR3.5 T. PT Lippo Karawaci Tbk (LPKR) recorded their marketing sales or presales of IDR3.5 trillion in 9M22, equivalent to 68% of the 2022 target. Most of the presales were driven by the successful launch of landed house projects for first homeowners, such as the Cendana Homes Series in Lippo Village and Waterfront Uptown Estates in Lippo Cikarang, contributing 47% to the total presale within the January-September 2022 period. (Kontan)

Domestic Issue

The Government Officially Raises Tobacco Excise Tax by 10%. The government decided to increase the excise tax on tobacco products for cigarettes by 10% in 2023 and 2024. In detail, the increase that is applied in machine-rolled clove cigarettes, machine-white cigarettes, and food clove cigarettes will be different according to their category. (Kontan)

Recommendation

Tobacco Excise Tax 10% and Bank's Core Capital sentiments ahead of Indonesia's GDP data release. The government officially increased the tobacco excise tax by 10% in 2023 and 2024, amid cigarette consumption as the second largest household consumption after rice. Investors are also paying close attention to OJK's statement, with no extension of time to fulfill the bank's core capital of IDR3 trillion, raising the option of forced mergers, grade reductions, and voluntary liquidation became more narrow. Investors' attention also began to be drawn toward Indonesia's GDP data release on Monday. Amid a number of sentiments, NHKSI Research projects JCI today to move bullish or technical rebound, but with limited upside.

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	5.71%	5.95%	Cons. Confidence*	117.20	124.70

PRICE OF BENCHMARK SERIES

FR0090 : -8.9 Bps to 93.10 (6.95%)
FR0091 : -7.7 Bps to 93.24 (7.38%)
FR0093 : -36.7 Bps to 94.27 (7.00%)
FR0092 : -27.5 Bps to 98.40 (7.27%)

FR0086 : -4.8 Bps to 95.57 (6.96%)
FR0087 : -5.3 Bps to 94.41 (7.41%)
FR0083 : -1.2 Bps to 98.87 (7.61%)
FR0088 : 0.0 Bps to 89.32 (7.51%)

CDS of Indonesia Bonds

CDS 2yr: +0.73% to 55.83
CDS 5yr: -0.16% to 136.37
CDS 10yr: +0.47% to 209.77

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.43%	0.02%
USDIDR	15,697	0.31%
KRWIDR	11.02	-0.14%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,001.25	(146.51)	-0.46%
S&P 500	3,719.89	(39.80)	-1.06%
FTSE 100	7,188.63	44.49	0.62%
DAX	13,130.19	(126.55)	-0.95%
Nikkei	27,663.39	0.00	0.00%
Hang Seng	15,339.49	(487.68)	-3.08%
Shanghai	2,997.81	(5.56)	-0.19%
KOSPI	2,329.17	(7.70)	-0.33%
EIDO	23.15	(0.01)	-0.04%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,629.5	(5.8)	-0.35%
Crude Oil (\$/bbl)	88.17	(1.83)	-2.03%
Coal (\$/ton)	351.00	(10.00)	-2.77%
Nickel LME (\$/MT)	22,803	(1342.0)	-5.56%
Tin LME (\$/MT)	17,762	(248.0)	-1.38%
CPO (MYR/Ton)	4,337	(61.0)	-1.39%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:30	Manufacturing PMI	Oct.	49.2	49.8	50.1
31 - Oct.	EC	17:00	GDP QoQ	3Q22	0.2%	0.1%	0.8%
	EC	17:00	GDP YoY	3Q22	2.1%	2.1%	4.1%
	US	20:45	MNI Chicago PMI	Oct.	45.2	47.3	45.7
Tuesday	ID	07:30	S&P Global Indonesia PMI Mfg.	Oct.	51.8	--	53.7
1 - Nov.	ID	11:00	CPI YoY	Oct.	5.71%	5.98%	5.95%
	ID	11:00	CPI MoM	Oct.	-0.11%	0.10%	1.17%
	ID	11:00	CPI Core YoY	Oct.	3.31%	3.40%	3.21%
Wednesday	GE	14:00	Exports MoM	Sept.	-0.5%	0.5%	2.9%
2 - Nov.	GE	14:00	Imports MoM	Sept.	-2.3%	-0.6%	4.9%
	US	18:00	MBA Mortgage Applications	Oct. 28	-0.5%	--	-1.7%
	US	19:15	ADP Employment Change	Oct.	239K	185K	192K
Thursday	US	01:00	FOMC Rate Decision	Nov. 2	3.75%-4.00%	3.75%-4.00%	3.00%-3.25%
3 - Nov.	US	19:30	Trade Balance	Sept.	-\$73.3Bn	-\$72.2Bn	-\$65.7Bn
	US	21:00	Factory Orders	Sept.	0.3%	0.3%	0.2%
	US	21:00	Durable Goods Orders	Sept.	0.4%	0.4%	0.4%
Friday	GE	14:00	Factory Orders MoM	Sept.		-0.4%	-2.4%
4 - Nov.	GE	14:00	Factory Orders YoY	Sept.		--	-4.1%
	US	19:30	Change in NonFarm Payrolls	Oct.		200K	263K
	US	19:30	Unemployment Rate	Oct.		3.6%	3.5%

Source: Bloomberg

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