

# Morning Brief

Daily | Nov. 3, 2022

## Today's Outlook:

**SUN Benchmark moves mixed**, ahead of the results of the Fed's FOMC Meeting. Yesterday's market movement also responded to the slowdown in Indonesia's manufacturing expansion. Declining demand for Indonesian-made goods, along with economic pressure from a number of major trading partners, put pressure on Indonesia's Manufacturing PMI for the October period, expansion was recorded at 51.8 points (Vs. Sept. 53.7 points).

## Corporate Bonds

**Bank Mandiri Plans to Issue Green Bonds in 2023.** PT Bank Mandiri (Persero) Tbk plans to issue green bonds to support funding for sustainable projects. The funding will be carried out in 2023 considering that this year only leaves two months. (Kumparan)

## Domestic Issue

**State Spending Sustains 4Q22 Economy.** The Minister of Finance revealed that they would direct state spending of around IDR1,192 trillion to encourage the demands side that can support economic growth in 4Q22. The reason is that the turmoil of the world economy began to affect domestically within the fourth quarter, as seen in the national exports' slowdown. In more detail, high inflation and currency pressures affect Indonesia's export destination countries, such as the United States, Europe, and China. Thus, the government must work on policies to maintain the domestic economy. (Investor Daily)

## Recommendation

**The hawkish signal continued**, lessening expectations of the Fed Pivot in December. The Fed, again, raised the FFR by +75Bps for the fourth time in November and suggested the Next FFR hike would face a higher threshold. The Fed Chairman, Jerome Powell, also rejected the idea of a "Fed Pause". Additionally, short-tenor bonds with the highest sensitivity in the FFR gains, UST2Y recorded a yield increase that broke the All-Time High level of 4.60%. This statement by The Fed comes as inflation is projected to remain at its highest level or above 8% YoY, according to a Bloomberg survey.

## 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	7.41%	-0.08%
USDIDR	15,648	0.13%
KRWIDR	11.04	0.08%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,147.76	(505.44)	-1.55%
S&P 500	3,759.69	(96.41)	-2.50%
FTSE 100	7,144.14	(42.02)	-0.58%
DAX	13,256.74	(82.00)	-0.61%
Nikkei	27,663.39	(15.53)	-0.06%
Hang Seng	15,827.17	371.90	2.41%
Shanghai	3,003.37	34.17	1.15%
KOSPI	2,336.87	1.65	0.07%
EIDO	23.16	(0.45)	-1.91%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,635.2	(12.7)	-0.77%
Crude Oil (\$/bbl)	90.00	1.63	1.84%
Coal (\$/ton)	361.00	2.00	0.56%
Nickel LME (\$/MT)	24,145	545.0	2.31%
Tin LME (\$/MT)	18,010	40.0	0.22%
CPO (MYR/Ton)	4,398	165.0	3.90%

## 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

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	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
<b>Tuesday</b>	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%
<b>Wednesday</b>	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
<b>Thursday</b>	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.		-\$70.2Bn	-\$67.4Bn
	US	21:00	Factory Orders	Sept.		0.4%	0.0%
	US	21:00	Durable Goods Orders	Sept.		--	0.4%
<b>Friday</b>	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

## 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

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## PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

**Head Office :**

District 8 Treasury Tower 51<sup>st</sup> 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

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