

Morning Brief

Daily | Nov. 1, 2022

Today's Outlook:

Investors focus on Dec. 14, FOMC Meeting Nov. Results price in. More details, FOMC Meeting Nov. which is projected to increase the FFR by +75 bps has been priced in. Investors are also watching the FOMC Meeting Nov. Wednesday local time, which hinted it would slow the pace of the December FFR hike to only +50bps.

Corporate Bonds

MYOR: Recorded a Profit Increase of 10.9%. PT Mayora Indah Tbk (MYOR) throughout 9M22 recorded a net profit attributable to the parent entity owner, amounting to IDR1.08 trillion or up by 10.92% YoY. The cost of Goods Sold increased to IDR17.48 trillion; thus, gross profit was recorded at IDR4.75 trillion or decreased to 6.68% YoY. Additionally, the sales grew by 11.78% to IDR 22.23 trillion. (Emiten News)

Domestic Issue

BI: Predicts Annual Inflation Will Fall to 5.8%. Bank Indonesia (BI) predicts that inflation in October 2022 will stand in the range of 5.8% YoY. This inflation rate is slightly lower than the previous month, which reached 5.95% YoY. Whereas, on a monthly basis, September inflation reached 1.17% MoM. BI itself estimates that food inflation will fall below 10% or a decrease compared to the previous month, which was at 11.9% (Kontan)

Recommendation

Yesterday's SUN market movement, amid waiting for the release of Indonesia's inflation data for the October period, is projected to soften (Surv. 0.10% MoM, Vs. Sept. 1.17% MoM), in line with the normalization of a number of food commodity prices, and the impact of a significant increase in subsidized fuel prices. , which has been fully reflected in the September inflation rate. The results of this inflation data will serve as a reference for the BI 7DRR at the BI RDG on 17 November.

PRICE OF BENCHMARK SERIES

FR0090 : -1.4 Bps to 92.52 (7.11%)
FR0091 : +0.0 Bps to 92.41 (7.50%)
FR0093 : -1.0 Bps to 89.78 (7.53%)
FR0092 : -0.6 Bps to 95.27 (7.59%)

FR0086 : +3.0 Bps to 95.14 (7.11%)
FR0087 : +1.5 Bps to 93.55 (7.55%)
FR0083 : -1.6 Bps to 98.79 (7.62%)
FR0088 : -43.5 Bps to 91.95 (7.18%)

CDS of Indonesia Bonds

CDS 2yr: -2.90% to 57.24
CDS 5yr: +0.74% to 138.79
CDS 10yr: +7.95% to 214.19

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.54%	0.01%
USDIDR	15,598	0.30%
KRWIDR	10.95	0.05%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,732.95	(128.85)	-0.39%
S&P 500	3,871.98	(29.08)	-0.75%
FTSE 100	7,094.53	46.86	0.66%
DAX	13,253.74	10.41	0.08%
Nikkei	27,587.46	482.26	1.78%
Hang Seng	14,687.02	(176.04)	-1.18%
Shanghai	2,893.48	(22.44)	-0.77%
KOSPI	2,293.61	25.21	1.11%
EIDO	23.75	0.01	0.04%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,633.6	(11.3)	-0.69%
Crude Oil (\$/bbl)	86.53	(1.37)	-1.56%
Coal (\$/ton)	356.30	(29.40)	-7.62%
Nickel LME (\$/MT)	21,809	(325.0)	-1.47%
Tin LME (\$/MT)	17,631	(470.0)	-2.60%
CPO (MYR/Ton)	4,054	65.0	1.63%

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	5.95%	4.69%	Cons. Confidence*	117.20	124.70

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.		--	53.7
1 - Nov.	ID	11:00	CPI YoY	Oct.		5.98%	5.95%
	ID	11:00	CPI MoM	Oct.		0.09%	1.17%
	ID	11:00	CPI Core YoY	Oct.		3.40%	3.21%
Wednesday	GE	14:00	Exports MoM	Sept.		--	3.2%
2 - Nov.	GE	14:00	Imports MoM	Sept.		--	5.2%
	US	18:00	MBA Mortgage Applications	Oct. 28		--	-1.7%
	US	19:15	ADP Employment Change	Oct.		200K	208K
Thursday	US	01:00	FOMC Rate Decision	Nov. 2		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%
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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