

# Morning Brief

Daily | Nov. 2, 2022

## Today's Outlook:

**The Fed Pivot is too early**, and the US labor market becomes more solid. US labor data, JOLTS Job Openings rose 437K (4.3% MoM) to 10.7 million in September, as job openings in the accommodation and Food Services industries are high. Even as the Fed is on track for aggressive rate hikes, the solid labor market is lowering the hopes of looser policy by The Fed at the FOMC Meeting next December. The Fed Pivot refers to policies with reverse direction quickly, such as the Hawkish FFR that hikes +75Bps in November and becomes Dovish in December, or the FFR is up by +50Bps. On the other hand, high-interest rates put pressure on the US manufacturing activity for the October period. This became the slowest pace of expansion in 2.5 years.

## Corporate Bonds

**Semen Indonesia Issues IDR 1 Trillion Bonds.** State-owned cement holding issuer, Semen Indonesia (Persero) Tbk. (SMGR) issued bonds worth IDR 1 trillion with a public offering period taking place on 2-4 November 2022. As for this issuance, it is part of SMGR's Public Offering of Sustainable Bonds II with a total target of IDR 3 trillion. (Bisnis Indonesia)

## Domestic Issue

**Indonesia's Manufacturing Index Stays in Expansion Mode.** Indonesia's manufacturing activity is still expansive in October 2022. However, the expansion rate is not as fast as the previous month. S&P Global recorded that Purchasing Manager's Index (PMI) of Manufacture, or Indonesia's manufacturing index, in October 2022 was at the level of 51.8 or down compared to September 2022, which was 53.7. Foreign demand for Indonesian-made goods also decreased along with the foreign economic conditions that weakened, causing a decrease in Indonesia's Manufacturing PMI. (Kontan)

## Recommendation

**Indonesia's Manufacturing expansion slowed down.** The decline in Indonesian-made goods, along with the economic pressures from several major trading partners, suppressed Indonesia's Manufacturing PMI for the October period, the expansion was recorded at the level of 51.8 points (Vs. Sept. 53.7 points).

## 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 : -7.1 Bps to 92.78 (7.04%)  
FR0091 : -5.2 Bps to 92.75 (7.45%)  
FR0093 : -16.3 Bps to 91.13 (7.37%)  
FR0092 : -3.8 Bps to 95.65 (7.55%)

FR0086 : -9.8 Bps to 95.43 (7.01%)  
FR0087 : -9.4 Bps to 94.10 (7.46%)  
FR0083 : +0.3 Bps to 98.76 (7.62%)  
FR0088 : 0.0 Bps to 91.95 (7.18%)

## CDS of Indonesia Bonds

CDS 2yr: -3.17% to 55.42  
CDS 5yr: -1.58% to 136.59  
CDS 10yr: -2.52% to 208.77

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.49%	-0.05%
USDIDR	15,628	0.19%
KRWIDR	11.03	0.74%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,653.20	(79.75)	-0.24%
S&P 500	3,856.10	(15.88)	-0.41%
FTSE 100	7,186.16	91.63	1.29%
DAX	13,338.74	85.00	0.64%
Nikkei	27,678.92	91.46	0.33%
Hang Seng	15,455.27	768.25	5.23%
Shanghai	2,969.20	75.72	2.62%
KOSPI	2,335.22	41.61	1.81%
EIDO	23.61	(0.14)	-0.59%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,648.0	14.4	0.88%
Crude Oil (\$/bbl)	88.37	1.84	2.13%
Coal (\$/ton)	359.00	2.70	0.76%
Nickel LME (\$/MT)	23,600	1791.0	8.21%
Tin LME (\$/MT)	17,970	339.0	1.92%
CPO (MYR/Ton)	4,233	179.0	4.42%

## 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.		--	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
<b>Thursday</b>	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%
<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

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