

Morning Brief

Daily | Nov. 7, 2022

Today's Outlook:

Rupiah depreciation amidst the downward trend in Cadev. In addition to the fourth +75bps FFR increase in November, the market pressure for the week was also influenced by the depreciation of the rupiah. The rupiah exchange rate weakened by more than 1% WoW, in line with the increasing demand for USD towards the end of the year, for payment of debt obligations or income repatriation for foreign companies. For the record, Indonesia's Cadev as of September is worth USD 130.80 Billion (Vs. Aug. USD 132.20 Billion).

Corporate Bonds

PWON: Earn IDR4.49 in Revenue. PT Pakuwon Jati Tbk (PWON) earned revenue of IDR4.49 trillion up to 9M22, or an increase from IDR3.79 within the same period in the previous year. Meanwhile, the cost of revenue rose to IDR2.13 trillion, while gross profit rose to IDR2.36 trillion, and profit attributable to owners of the parent entity reached IDR1.19 trillion (Emiten News)

Domestic Issue

BI Extends LCBSA and BRL Agreements. Bank Indonesia (BI) and the Monetary Authority of Singapore (MAS) agreed to extend bilateral financial cooperation agreements, namely: The Local Currency Bilateral Swap (LCBSA) and Bilateral Repo Line (BRL). The cooperation in LCBSA allows the two central banks to exchange in local currencies up to a value equivalent to IDR100 trillion. (Kontan)

Recommendation

US 8% inflation. In addition to Indonesia's GDP and Cadev data, investors are waiting for the release of US inflation data. US Headline Inflation Oct. YoY is projected at 8% (Vs. Sept. 8.2%), likely to determine the market direction in the remainder of 2022. A number of economists argue, if inflation is not below 8% YoY, then the Fed may be preparing for a fifth +75 bps FFR hike in December. Meanwhile, NHHKI Research sees that Indonesia's GDP in 3Q22 YoY is projected to grow 5.59% (Vs. 5.44% 2Q22), supported by the expansive Manufacturing and Consumer Confidence Index, at 53.7 and 117.2 levels as of September, respectively. Meanwhile, waiting for Cadev data, amid the depreciation of the rupiah which penetrated the psychological level of IDR15,700/USD last week.

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 : +6.2 Bps to 92.67 (7.07%)
FR0091 : +4.7 Bps to 92.84 (7.44%)
FR0093 : +10.6 Bps to 93.51 (7.09%)
FR0092 : 0.0 Bps to 98.57 (7.26%)

FR0086 : +6.1 Bps to 95.19 (7.09%)
FR0087 : +2.6 Bps to 93.98 (7.48%)
FR0083 : +0.2 Bps to 98.82 (7.62%)
FR0088 : -22.4 Bps to 90.25 (7.39%)

CDS of Indonesia Bonds

CDS 2yr: -5.90% to 54.46
CDS 5yr: -1.24% to 138.06
CDS 10yr: -4.82% to 205.24

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.47%	0.04%
USDIDR	15,738	0.26%
KRWIDR	11.09	0.62%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,403.22	401.97	1.26%
S&P 500	3,770.55	50.66	1.36%
FTSE 100	7,334.84	146.21	2.03%
DAX	13,459.85	329.66	2.51%
Nikkei	27,199.74	(463.65)	-1.68%
Hang Seng	16,161.14	821.65	5.36%
Shanghai	3,070.80	72.99	2.44%
KOSPI	2,348.43	19.26	0.83%
EIDO	23.70	0.55	2.38%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,681.9	52.4	3.21%
Crude Oil (\$/bbl)	92.61	4.44	5.04%
Coal (\$/ton)	349.50	(1.50)	-0.43%
Nickel LME (\$/MT)	23,811	1008.0	4.42%
Tin LME (\$/MT)	18,872	1110.0	6.25%
CPO (MYR/Ton)	4,367	30.0	0.69%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	10:00	Foreign Reserves	Oct.	--		\$130.80Bn
7 - Nov.	ID	11:00	GDP QoQ	3Q22	1.70%		3.72%
	ID	11:00	GDP YoY	3Q22	5.59%		5.44%
	CH	--	Imports YoY	Oct.	0.0%		0.3%
Tuesday	ID	--	Consumer Confidence Index	Oct.	--		117.2
8 - Nov.	EC	17:00	Retail Sales MoM	Sept.	--		-0.3%
	EC	17:00	Retail Sales YoY	Sept.	--		-2.0%
Wednesday	CH	08:30	PPI YoY	Oct.	-1.6%		0.9%
9 - Nov.	CH	08:30	CPI YoY	Oct.	2.4%		2.8%
	US	19:00	MBA Mortgage Applications	Nov. 4	--		-0.5%
	US	22:00	Wholesale Inventories MoM	Sept.	0.8%		0.8%
Thursday	US	20:30	CPI Headline MoM / YoY	Oct.	0.7% / 8.0%		0.4% / 8.2%
10 - Nov.	US	20:30	CPI Core MoM / YoY	Oct.	0.5% / 6.6%		0.6% / 6.6%
	US	20:30	Initial Jobless Claims	Nov. 5	--		217K
	US	20:30	Continuing Claims	Oct. 29	--		1,485K
Friday	GE	14:00	CPI MoM	Oct.	0.9%		0.9%
11 - Nov.	GE	14:00	CPI YoY	Oct.	10.4%		10.4%
	US	22:00	U. Of Mich. Sentiment	Nov.	59.6		59.9

Source: Bloomberg

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