

Morning Brief

Daily | Nov. 22, 2022

Today's Outlook:

SUN market at the beginning of the week was relatively flat. As for external sentiment, China has again held its benchmark lending rate to support economic growth, but without pushing the Yuan lower. Data shows China's Nov. 1Y and 5Y Loan Prime Rates were at 3.65% and 4.30%, respectively. The People's Bank of China (PBOC) again maintained its benchmark lending rate for the third month in a row, bolstering a slowing economy and anticipating capital outflows from China.

Corporate Bonds

WSKT: Record New Contract Value (NKB) of IDR13.38 T in October. PT Waskita Karya (Persero) Tbk (WSKT) recorded a New Contract Value (NKB) with a total of IDR13.38 trillion up to October 2022 or a rise of 10.64% YoY. Additionally, the additional source for the NKB came from the Government's projects at 68.19%, Private projects at 10.22%, State-Owned Enterprises (BUMN) and Regionally-Owned Enterprises (BUMD) at 9.57%, and Business Development of the Company's Subsidiaries at 12.03% (Emiten News)

Domestic Issue

BI: Indonesia's GDP in 2023 May Slow to 4.4%. Indonesia's annual economic growth may slow to 4.37% next year as an impact of domestic monetary tightening, the governor of Bank Indonesia (BI) stated. Meanwhile, BI maintains its 2022 gross domestic product (GDP) growth forecast, which is biased, at 4.5% to 5.3%. BI also predicts the key inflation at 6.11% by the end of 2022 and 3.61% by the end of 2023. Their presentation showed that the 2022 inflation is BI's forecast as of November 3. (Investor Daily)

Recommendation

The speculation of China's Zero-Covid Policy re-implementation. Investors are worried about the Zero-Covid Policy re-implementation after China recorded an increase in infection cases. Implementing the Zero-Covid Policy will reduce China's economic activity, affecting their demand reduction for crude oil. The weakening of crude oil prices, both Brent and WTI, by more than 5% a week was also influenced by reports about Saudi Arabia and other OPEC oil producers that were discussing a production increase of up to 500,000 barrels per day. This matter will be further considered at the OPEC+ meeting on December 4.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	4.75%	Real GDP	5.72%	5.44%
FX Reserve (USD bn)	130.20	130.80	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	5.67	4.99	Govt. Spending Yoy	-2.88%	-7.74%
Exports Yoy	12.30%	20.28%	FDI (USD bn)	4.28	4.70
Imports Yoy	17.44%	22.02%	Business Confidence	104.82	105.33
Inflation Yoy	5.71%	5.95%	Cons. Confidence*	120.30	117.20

PRICE OF BENCHMARK SERIES

FR0090 : +0.1 Bps to 93.65 (6.82%)
FR0091 : +0.1 Bps to 95.40 (7.05%)
FR0093 : +4.6 Bps to 94.12 (7.02%)
FR0092 : +2.3 Bps to 99.53 (7.16%)

FR0086 : -5.3 Bps to 96.18 (6.77%)
FR0087 : +0.0 Bps to 96.17 (7.12%)
FR0083 : -1.2 Bps to 101.42 (7.35%)
FR0088 : +2.2 Bps to 91.80 (7.20%)

CDS of Indonesia Bonds

CDS 2yr: +1.60% to 45.61
CDS 5yr: +2.06% to 113.80
CDS 10yr: +1.09% to 178.49

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.08%	0.02%
USDIDR	15,713	0.16%
KRWIDR	11.59	-0.93%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,745.69	199.37	0.59%
S&P 500	3,965.34	18.78	0.48%
FTSE 100	7,385.52	38.98	0.53%
DAX	14,431.86	165.48	1.16%
Nikkei	27,899.77	(30.80)	-0.11%
Hang Seng	17,992.54	(53.12)	-0.29%
Shanghai	3,097.24	(18.19)	-0.58%
KOSPI	2,444.48	1.58	0.06%
EIDO	23.19	0.27	1.18%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,738.1	(12.6)	-0.72%
Crude Oil (\$/bbl)	80.04	(0.07)	-0.09%
Coal (\$/ton)	351.00	7.55	2.20%
Nickel LME (\$/MT)	25,385	321.0	1.28%
Tin LME (\$/MT)	22,664	80.0	0.35%
CPO (MYR/Ton)	3,855	5.0	0.13%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:15	1Y Loan Prime Rate	Nov. 21	3.65%	3.65%	3.65%
21 - Nov.	CH	08:15	5Y Loan Prime Rate	Nov. 21	4.30%	4.30%	4.30%
	GE	14:00	PPI MoM	Oct.	-4.3%	0.6%	2.3%
	GE	14:00	PPI YoY	Oct.	34.5%	42.1%	45.8%
Tuesday	—	—	—	—	—	—	—
22 - Nov.	—	—	—	—	—	—	—
Wednesday	US	19:00	MBA Mortgage Applications	Nov. 18		--	2.7%
23 - Nov.	US	20:30	Initial Jobless Claims	Nov. 19		225K	222K
	US	22:00	U. Of Mich. 1-Yr Inflation	Nov.		5.1%	5.1%
	US	22:00	New Home Sales MoM	Oct.		-5.5%	-10.0%
Thursday	US	02:00	FOMC Meeting Minutes	Nov. 2		--	--
24 - Nov.	GE	16:00	IFO Business Climate	Nov.		85.0	84.3
	GE	16:00	IFO Current Assessment	Nov.		93.8	94.1
	GE	16:00	IFO Expectations	Nov.		77.0	75.6
Friday	GE	14:00	Private Consumption QoQ	3Q		0.3%	0.3%
25 - Nov.	GE	14:00	Government Spending QoQ	3Q		0.9%	2.3%
	GE	14:00	GDP QoQ	3Q F		0.3%	0.3%
	GE	14:00	GDP YoY	3Q F		1.1%	1.1%

Source: Bloomberg

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