

Morning Brief

Daily | Dec. 29, 2022

Today's Outlook:

Three US main indexes closed lower, with the Nasdaq at its lowest point in 2022, as Pending Home Sales (MoM) (Nov) economic data fell 4%, higher than expected from minus 0.8%. The increase in Covid cases in China and the Russia-Ukraine geopolitical tensions have also affected the negative sentiment in the stock market. The energy sector posted the most significant decline of 2.2% on fears of disruptions to Chinese demand due to the rapid spread of Covid. The S&P500 fell by 20% YTD, the biggest drop since the financial crisis in 2008. Moreover, the market sees a 69% chance of FFR rising at 25 bps on the FOMC Meeting next February, with FFR standing at 4.94% in the first half of next year.

Corporate Bonds

WIKA: Pocketing IDR3.3 T. PT Wijaya Karya (Persero) Tbk (WIKA) recorded a new contract acquisition at the end of 2022. The company, a part of the Obayashi-Jaya Konstruksi-JFE Engineering Consortium, was appointed by the Ministry of Public Works and Public Housing (PUPR) to work on the Jakarta Sewerage Development Project (JSDP) with a contract worth IDR3.33 trillion. Additionally, this project is a form of WIKA's support to improve the people of Jakarta's health regarding waste-free by constructing a Central Wastewater Management system. (Emitien News)

Domestic Issue

Indonesia Discovers New Gas Reserves

At the end of 2022, Indonesia discovered a new gas reserve through the Flamboyan-1 exploration well, South Sumatra Block. The well, which is located in South Sumatra, was successfully found by the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) in collaboration with Cooperation Contract Contractors (KKKS), Medco E&P. The well's test results are proven to produce high-quality gas, with the potential to produce gas production of 15MMSCFD. (Bisnis.com)

Recommendation

JCI pullback after reaching 6950-6960 Resistance is still considered a reasonable consolidation as long as the MA20 & MA10 Support Test does not end with a Closing below 6825-6815. Foreign again posted a Net Sell (all market) of IDR461.32 billion, with reducing positions last week in blue chip stocks, such as BBKA, TLKM, GOTO, BBNI, BMRI, ASII, and BBRI. Despite the short-term bullish, JCI still has a chance to reach the 7000-7100 target by the end of the year. NHKSI RESEARCH advises traders/investors to do a gradual buying strategy and pay attention to money management.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.72%	5.44%
FX Reserve (USD bn)	134.00	130.20	Current Acc (USD bn)	4.02	4.97
Trd Balance (USD bn)	4.97	5.67	Govt. Spending Yoy	-2.88%	-7.74%
Exports Yoy	5.58%	12.30%	FDI (USD bn)	5.14	4.70
Imports Yoy	-1.89%	17.44%	Business Confidence	104.82	105.33
Inflation Yoy	5.42%	5.71%	Cons. Confidence*	119.10	120.30

PRICE OF BENCHMARK SERIES

FR0090	: 96.15 (6.16%)
FR0091	: 96.45 (6.90%)
FR0093	: 96.45 (6.76%)
FR0092	: 100.34 (7.09%)
FR0086	: 98.00 (6.18%)
FR0087	: 97.69 (6.87%)
FR0083	: 103.13 (7.18%)
FR0088	: 94.00 (6.94%)

CDS of Indonesia Bonds

CDS 2yr	: -0.43 to 37.34
CDS 5yr	: -0.18% to 100.32
CDS 10yr	: -0.44% to 170.13

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.93%	-0.01%
USDIDR	15,703	0.26%
KRWIDR	12.40	0.62%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,875.71	(365.85)	-1.10%
S&P 500	3,783.22	(46.03)	-1.20%
FTSE 100	7,497.19	24.18	0.32%
DAX	13,925.60	(69.50)	-0.50%
Nikkei	26,340.50	(107.37)	-0.41%
Hang Seng	19,898.91	305.85	1.56%
Shanghai	3,087.40	(8.17)	-0.26%
KOSPI	2,280.45	(52.34)	-2.24%
EIDO	22.02	(0.52)	-2.31%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,804.4	(9.3)	-0.52%
Crude Oil (\$/bbl)	78.96	(0.57)	-0.72%
Coal (\$/ton)	402.10	1.60	0.40%
Nickel LME (\$/MT)	30,431	884.0	2.99%
Tin LME (\$/MT)	24,734	800.0	3.34%
CPO (MYR/Ton)	4,087	(13.0)	-0.32%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 27 - Dec.	US	20:30	Wholesale Inventories MoM	Nov	1.0%	0.3%	0.5%
	US	21:00	FHFA House Price Index MoM	Oct	0.0%	-0.7%	0.1%
	US	22:30	Dallas Fed Manf. Activity	Dec	-18.8	-13.5	-14.4
	CZ	15:00	Business Confidence	Dec	3.9	--	4.5
	CZ	15:00	Consumer Confidence Index	Dec	-32.0	--	-30.8
	CH	08:30	Industrial Profits YTD YoY	Nov	-3.6%	--	-3.0%
	CH	08:30	Industrial Profits YoY	Nov	--	--	--
Wednesday 28 - Dec.	US	22:00	Richmond Fed Manufact. Index	Dec	1	-10	-9
	US	22:00	Pending Home Sales MoM	Nov	-4.0%	-1.0%	-4.6%
	SW	14:00	Trade Balance	Nov	-5.4 B	--	-9.5 B
	AS	16:00	Unicredit Bank Austria Manufac. PMI	Dec	47.3	--	46.6
Thursday 29 - Dec.	US	20:30	Initial Jobless Claims	Dec 24	--	--	216K
	US	20:30	Continuing Claims	Dec 17	--	--	1,672K
	EC	16:00	M3 Money Supply YoY	Nov	--	5.0%	5.1%
	SV	16:30	CPI YoY	Dec	--	--	10.0%
	SV	16:30	CPI MoM	Dec	--	--	0.9%
Friday 30 - Dec.	US	21:45	MNI Chicago PMI	Dec	--	40.0	37.2
	NE	12:30	Retail Sales YoY	Nov	--	--	2.9%
	AS	15:00	PPI YoY	Nov	--	--	18.4%
	SP	15:00	CPI YoY	Dec P	--	--	6.8%

Source: Bloomberg

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