

Morning Brief

Daily | Dec. 30, 2022

Today's Outlook:

The Dow Jones Index closed higher by 1.1%/345 points. At the same time, the Nasdaq and S&P500 managed to experience gains of 2.6% and 1.8%, respectively, as US Initial Jobless Claims data reported 225,000 for the week ended Dec. 24, rising as expected from 216,000 the previous week, indicating that the US economy is starting to slow down. Thus, the market hopes the US central bank can end the pace of benchmark interest rate rise. The economic data also triggered a decline in government bond yields, giving positive sentiment for technology stocks, considering that workers' income growth will slow down.

Corporate Bonds

MEDC: Obtain USD420 Million Loan. PT Medco Energi Internasional Tbk (MEDC) signed a revised and restatement loan facility agreement, amounting USD420 million, with Australia and New Zealand Banking Group Limited Singapore Branch, PT Bank ANZ Indonesia, ING Bank N. V. Singapore Branch (ING), and Societe Generale Singapore Branch (SG). The loan is used to pay off the remaining debt, finance operations and capital costs.

Domestic Issue

The Government Will Implement the B35 Program

Through the Ministry of Energy and Mineral Resources (ESDM), the government will implement the B35 program, a mixture of diesel with 35% biodiesel, in February 2023. This program is an effort to anticipate a surge in oil prices, suppress diesel imports, and increase the use of renewable energy. The government has also set the allocation volume for the B35 program in 2023 at 13.15 million kl. (Kontan.co.id)

Recommendation

JCI can finally rise above the MA10 & MA20 Support after buying interest returned when the JCI was overshot to a Low of 6786, indicating a Bull, yet still has hope for a victory. Today, further solid strengthening will be tried, especially with support from the regional market sentiment, with an attempt to go to the level 6950-6960 (up to 7000); to create a better year-end JCI position on the last trading day of 2022. Foreign Net Sell (all market) is still recorded at IDR1.7 trillion, while the Foreign Net Buy is slightly flat at IDR62.9 trillion YTD.

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 : 96.48 (6.89%)
FR0093 : 96.37 (6.77%)
FR0092 : 100.31 (7.09%)

FR0086 : 98.04 (6.16%)
FR0087 : 97.75 (6.86%)
FR0083 : 103.10 (7.18%)
FR0088 : 94.50 (6.88%)

CDS of Indonesia Bonds

CDS 2yr: +1.66 to 37.96
CDS 5yr: +0.19% to 100.51
CDS 10yr: +1.23% to 172.23

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.92%	-0.00%
USDIDR	15,658	-0.29%
KRWIDR	12.37	-0.27%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,220.80	345.09	1.05%
S&P 500	3,849.28	66.06	1.75%
FTSE 100	7,512.72	15.53	0.21%
DAX	14,071.72	146.12	1.05%
Nikkei	26,093.67	(246.83)	-0.94%
Hang Seng	19,741.14	(157.77)	-0.79%
Shanghai	3,073.70	(13.70)	-0.44%
KOSPI	2,236.40	(44.05)	-1.93%
EIDO	22.42	0.40	1.82%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,814.9	10.6	0.59%
Crude Oil (\$/bbl)	78.40	(0.56)	-0.71%
Coal (\$/ton)	404.15	2.05	0.51%
Nickel LME (\$/MT)	30,259	(172.0)	-0.57%
Tin LME (\$/MT)	24,915	181.0	0.73%
CPO (MYR/Ton)	4,090	3.0	0.07%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday	US	20:30	Wholesale Inventories MoM	Nov	1.0%	0.3%	0.5%
27 - Dec.	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	US	22:00	Richmond Fed Manufact. Index	Dec	1	-10	-9
28 - Dec.	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	US	20:30	Initial Jobless Claims	Dec 24	225 K	225 K	216K
29 - Dec.	US	20:30	Continuing Claims	Dec 17	1,710 K	1,690 K	1,672K
Friday	US	21:45	MNI Chicago PMI	Dec		40.0	37.2
30 - Dec.	NE	12:30	Retail Sales YoY	Nov		--	2.9%

Source: Bloomberg

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