

Morning Brief

Daily | Dec. 15, 2022

Today's Outlook:

The Hawkish period is longer in 2023. The FOMC Rate Decision results project that next year's FFR to end at 5.1%, 50 Bps higher than the previous projection last September, which stated that the FFR in 2023 will end at the level of 4.6%. The Fed's commitment to suppress the inflation down to 2% YoY after November CPI and PPI inflation data has cooled. On the other hand, the positive sentiment of the FFR in Dec., which is only +50 Bps (vs. +75 Bps), benefited the market. The market took advantage of this momentum to carry out several profit-taking actions.

Corporate Bonds

Bali Towerindo Issues IDR 221 Billion Sukuk. PT Bali Towerindo Sentra Tbk (BALI) will issue IDR 221 billion sukuk ijarah, in two series namely, Series A with a remaining historical consideration of IDR 200 billion having a 370-day term. Then, Series B was issued with the remaining ijarah fee of IDR 21 billion, having a 3-year term. (Okezone)

Domestic Issue

Fitch Maintains Indonesia's Credit Rating. International rating agency Fitch again maintained Indonesia's sovereign credit rating at BBB (investment grade) with a stable outlook. This decision considers Indonesia's economic growth prospects within the medium term and the government debt ratio toward the GDP to be low. (Investor Daily)

Recommendation

The increase in the Nov. CPO price of 10% MoM supports the export in Indonesia's Trade Balance. Based on a Bloomberg survey, Indonesia's Trade Balance in Nov. is projected to have a surplus of +USD4.3 billion (vs. Oct. +USD5.6 billion). CPO export volume also improved, in line with the increase of manufacturing activities in several main trading partners of Indonesia, such as China, India, and several countries in the European region. Additionally, Indonesia's exports in Nov. are projected to grow 9.46% YoY, a slower growth than in Oct., which reached 12.30% YoY. Amid the wait for Indonesia's Trade Balance release today, NHKSI Research projects that JCI tends to move in a consolidation.

PRICE OF BENCHMARK SERIES

FR0090 : -4.0 Bps to 96.22 (6.12%)
FR0091 : -6.7 Bps to 96.70 (6.85%)
FR0093 : -1.4 Bps to 95.75 (6.83%)
FR0092 : -0.6 Bps to 100.11 (7.11%)

FR0086 : -3.7 Bps to 97.69 (6.27%)
FR0087 : -3.2 Bps to 97.66 (6.87%)
FR0083 : +0.6 Bps to 102.94 (7.19%)
FR0088 : -10.1 Bps to 93.00 (7.06%)

CDS of Indonesia Bonds

CDS 2yr: -0.00% to 33.94
CDS 5yr: -5.73% to 90.61
CDS 10yr: +0.09% to 158.79

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.89%	-0.07%
USDIDR	15,598	-0.38%
KRWIDR	12.04	0.18%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,966.35	(142.29)	-0.42%
S&P 500	3,995.32	(24.33)	-0.61%
FTSE 100	7,495.93	(6.96)	-0.09%
DAX	14,460.20	(37.69)	-0.26%
Nikkei	28,156.21	201.36	0.72%
Hang Seng	19,673.45	77.25	0.39%
Shanghai	3,176.53	0.20	0.01%
KOSPI	2,399.25	26.85	1.13%
EIDO	22.82	(0.14)	-0.61%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,807.3	(3.5)	-0.19%
Crude Oil (\$/bbl)	77.28	1.89	2.51%
Coal (\$/ton)	404.00	(0.50)	-0.12%
Nickel LME (\$/MT)	28,365	78.0	0.28%
Tin LME (\$/MT)	24,275	(369.0)	-1.50%
CPO (MYR/Ton)	3,950	64.0	1.65%

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)	134.00	130.20	Current Acc (USD bn)	4.02	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)	5.14	4.70
Imports Yoy	17.44%	22.02%	Business Confidence	104.82	105.33
Inflation Yoy	5.42%	5.71%	Cons. Confidence*	119.10	120.30

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
12 - Dec.	—	—	—	—	—	—	—
Tuesday	GE	14:00	CPI MoM	Nov.	-0.5%	-0.5%	-0.5%
13 - Dec.	GE	14:00	CPI YoY	Nov.	10.0%	10.0%	10.0%
	US	20:30	CPI MoM	Nov.	0.1%	0.3%	0.4%
	US	20:30	CPI YoY	Nov.	7.1%	7.3%	7.7%
Wednesday	EC	17:00	Industrial Production MoM	Oct.	-2.0%	-1.5%	0.8%
14 - Dec.	EC	17:00	Industrial Production YoY	Oct.	3.4%	3.3%	5.1%
	US	19:00	MBA Mortgage Applications	Dec. 9	3.2%	--	-1.9%
Thursday	US	02:00	FOMC Rate Decision (Lower/Upper)	Dec.	4.25% / 4.50%	4.25% / 4.50%	3.75% / 4.00%
15 - Dec.	ID	11:00	Trade Balance	Nov.		\$4.05Bn	\$5.67Bn
	ID	11:00	Exports YoY	Nov.		10.05%	12.30%
	ID	11:00	Imports YoY	Nov.		10.10%	17.44%
Friday	—	—	—	—	—	—	—
16 - Dec.	—	—	—	—	—	—	—

Source: Bloomberg

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