

Morning Brief

Daily | Dec. 5, 2022

Today's Outlook:

Wait and See, welcoming the month of Window Dressing. The lack of sentiment in economic data last week, domestically and globally, led investors to immediately anticipate manufacturing and inflation data in November, which was released Thursday. The data shows that Indonesia's PMI Manufacturing is approaching contraction, indicating that the increase in BI 7DRR +175Bps YtD impacted domestic consumption. Meanwhile, Indonesia's Headline Inflation in Nov. was maintained at 5.42% YoY (Vs. Oct. 5.71%) amidst high global inflation pressure.

Corporate Bonds

AGII: Profit Contracted by 59%. PT Aneka Gas Industri Tbk (AGII) recorded a profit for the current period attributable to owners of the parent entity that amounted to IDR70.38 billion or decreased by 59.20% YoY. Sales also fell to IDR1.90 trillion from the previous IDR2.07 trillion, with the cost of sold at IDR1.05 trillion and gross profit at IDR852.40 billion. (Emiten News)

Domestic Issue

People's Business Credit (KUR) Budget Increases to IDR450 Trillion. The government will increase the subsidy budget for the distribution of people's business credit (KUR) to IDR450 in 2023. The budget increased from the fund in The National Economic Recovery Program in 2022, only IDR373.17 trillion. The government has conveyed several adjustments to the KUR policy for debtors who faced a relaxation throughout the Covid-19 pandemic.

Recommendation

Investors are watching the release of Indonesia's Nov. Foreign Exchange Reserves and Consumer Confidence Index (CCI). The Foreign Exchange Reserves are projected to remain maintained, supported by Foreign Inflow in the Government Securities (SBN) market. This situation is in line with the Fed's Dovish speculation, making the Government Bonds (SUN) and Government Islamic Securities (SBSN) yields seen as attractive, suppressing FR91 yields below the 7% level. Additionally, the CCI remains optimistic, projected to stay at a high level, supported by the Middle to Up segment purchasing power. Moreover, investors are also looking forward to the release of economic data on Indonesia's two main trading partners, China and the US. However, China's Export and Imports in Nov. are projected to weaken significantly, as the re-implement of the Zero-Covid Policy. In the meantime, the release of US Factory and Durable Goods Orders data in Oct. indicates how strong US manufacturing is amid an era of high inflation and interest rates. In other data, the PPI and 1-Yr Inflation in the US is projected to decline again. Crude oil prices and related sectors this week will be affected by the outcome of the OPEC+ meeting and also the start of the EU ban on Russian crude oil.

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)	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*	120.30	117.20

PRICE OF BENCHMARK SERIES

FR0090 : -6.1 Bps to 96.37 (6.08%)
FR0091 : -1.8 Bps to 96.84 (6.83%)
FR0093 : -8.3 Bps to 96.75 (6.72%)
FR0092 : -6.8 Bps to 101.39 (6.99%)

FR0086 : -8.4 Bps to 97.97 (6.17%)
FR0087 : -3.5 Bps to 97.90 (6.83%)
FR0083 : -10.2 Bps to 103.54 (7.13%)
FR0088 : -0.0 Bps to 91.97 (7.18%)

CDS of Indonesia Bonds

CDS 2yr: +4.77% to 34.24
CDS 5yr: +2.01% to 88.87
CDS 10yr: +3.69% to 160.43

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.86%	-0.03%
USDIDR	15,428	-0.87%
KRWIDR	11.86	-0.94%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,429.88	34.87	0.10%
S&P 500	4,071.70	(4.87)	-0.12%
FTSE 100	7,556.23	(2.26)	-0.03%
DAX	14,529.39	39.09	0.27%
Nikkei	27,777.90	(448.18)	-1.59%
Hang Seng	18,675.35	(61.09)	-0.33%
Shanghai	3,156.14	(9.33)	-0.30%
KOSPI	2,434.33	(45.51)	-1.84%
EIDO	23.98	0.00	0.00%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,797.6	(5.5)	-0.30%
Crude Oil (\$/bbl)	79.98	(1.24)	-1.53%
Coal (\$/ton)	391.00	6.00	1.56%
Nickel LME (\$/MT)	28,862	1261.0	4.57%
Tin LME (\$/MT)	23,255	(76.0)	-0.33%
CPO (MYR/Ton)	3,952	(126.0)	-3.09%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:45	Caixin China PMI Composite	Nov.	--		48.3
5 - Dec.	CH	08:45	Caixin China PMI Services	Nov.		48.0	48.4
	US	22:00	Factory Orders	Oct.		0.7%	0.3%
	US	22:00	Durable Goods Orders	Oct.		--	1.0%
Tuesday	GE	14:00	Factory Orders MoM	Oct.		--	-4.0%
6 - Dec.	US	20:30	Trade Balance	Oct.		-\$77.0Bn	-\$73.3Bn
Wednesday	ID	10:00	Foreign Reserves	Nov.		--	\$130.20Bn
7 - Dec.	CH	--	Exports YoY	Nov.		-4.8%	-0.3%
	CH	--	Imports YoY	Nov.		-7.7%	-0.7%
	US	19:00	MBA Mortgage Applications	Dec.		--	-0.8%
Thursday	ID	--	Consumer Confidence Index	Nov.		--	120.3
8 - Dec.	US	20:30	Initial Jobless Claims	Dec.		--	225K
Friday	US	20:30	PPI Final Demand MoM	Nov.		0.2%	0.2%
9 - Dec.	US	20:30	PPI Final Demand YoY	Nov.		7.1%	8.0%
	US	22:00	U. Of Mich. 1 Yr Inflation	Dec.		--	4.9%
	US	22:00	U. Of Mich. 5-10 Yr Inflation	Dec.		--	3.0%

Source: Bloomberg

Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta