

# Morning Brief

Daily | Dec. 5, 2022

## Today's Outlook:

**The US Service sector is increasingly expansive**, making the evaluation of FFR gains longer. US service sector expansion, via ISM Services Index in Nov., rose to 56.5 (Vs. Surv. 53.5; Oct. 54.4), providing other evidence of the US economic recovery. This data complements last week's data, where the labor market data remain solid, with a stronger wage growth amid the high inflation and interest rates era. US manufacturing data also showed improvement, with Factory Orders in Oct. growing by 1% (Vs. Sept. 0.3%) and Durable Goods Orders in Oct. growing by 1.1% (Vs. Sept. 1.0%). The improving US economic data has challenged the Fed's hopes of slowing down the intensity of the FFR hike amid indications of lower CPI and PPI inflation.

## Corporate Bonds

**WSKT: Receive a Project Termin Payment.** PT Waskita Karya (Persero) Tbk (WSKT), up to October 2022, managed to record a term disbursement of IDR11.2 trillion or has exceeded this year's target of IDR10 trillion. The allocation of liquid terms is 65%, in order to reduce the level of working capital credit debt, fulfillment of MRA financial obligations, current vendor payments, and tax liability payments. Meanwhile, the rest will be used for the Company's operations. (Emiten News)

## Domestic Issue

**BI: Banking Liquidity Remains Loose.** Throughout 2022, Bank Indonesia (BI) normalized monetary policy by gradually withdrawing excess liquidity. As of December 2022, bank loans grew in the range of 11%, and BI estimates that credit growth in 2022 will be in the range of 9-11% YoY and continue to increase by 10-12% in 2023 and 2024. (Investor Daily)

## Recommendation

**Wait and See in awaiting Foreign Exchange Reserves (Cadev) data on Wednesday.** Investors began to focus on Indonesia's Cadev in Nov. data, which will be released on Wednesday. The data is projected to be relatively preserved, in line with foreign inflows in the Government Securities market. Previously, Indonesia's Cadev in Oct. was dropped to USD130.2 billion, along with the depreciation and wide volatility of the Rupiah exchange rate within the range of IDR15,200/USD - IDR15,600/USD in October. The Fed's hopes of slowing the FFR hikes, making both Government Bonds (SUN) and Government Islamic Securities (SBSN) yields seem attractive, with FR91 and FR87 yields falling away from the psychological level of 7%.

## 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 : +4.7 Bps to 96.20 (6.13%)  
FR0091 : +5.1 Bps to 96.50 (6.88%)  
FR0093 : +6.1 Bps to 96.20 (6.78%)  
FR0092 : +2.6 Bps to 101.12 (7.01%)

FR0086 : +0.0 Bps to 97.97 (6.17%)  
FR0087 : -0.0 Bps to 97.90 (6.83%)  
FR0083 : -12.0 Bps to 102.34 (7.25%)  
FR0088 : -0.0 Bps to 91.97 (7.18%)

## CDS of Indonesia Bonds

CDS 2yr: +2.78% to 35.20  
CDS 5yr: +3.56% to 92.04  
CDS 10yr: +2.10% to 163.80

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.91%	0.05%
USDIDR	15,468	0.26%
KRWIDR	11.96	0.85%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,947.10	(482.78)	-1.40%
S&P 500	3,998.84	(72.86)	-1.79%
FTSE 100	7,567.54	11.31	0.15%
DAX	14,447.61	(81.78)	-0.56%
Nikkei	27,820.40	42.50	0.15%
Hang Seng	19,518.29	842.94	4.51%
Shanghai	3,211.81	55.67	1.76%
KOSPI	2,419.32	(15.01)	-0.62%
EIDO	23.45	(0.53)	-2.21%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,768.7	(29.0)	-1.61%
Crude Oil (\$/bbl)	76.93	(3.05)	-3.81%
Coal (\$/ton)	400.50	9.50	2.43%
Nickel LME (\$/MT)	28,680	(182.0)	-0.63%
Tin LME (\$/MT)	24,446	1191.0	5.12%
CPO (MYR/Ton)	3,967	15.0	0.38%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	08:45	Caixin China PMI Composite	Nov.	47.0	--	48.3
5 - Dec.	CH	08:45	Caixin China PMI Services	Nov.	46.7	48.0	48.4
	US	22:00	Factory Orders	Oct.	1.0%	0.7%	0.3%
	US	22:00	Durable Goods Orders	Oct.	1.1%	1.0%	1.0%
<b>Tuesday</b>	GE	14:00	Factory Orders MoM	Oct.		--	-4.0%
6 - Dec.	US	20:30	Trade Balance	Oct.		-\$77.0Bn	-\$73.3Bn
<b>Wednesday</b>	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%
<b>Thursday</b>	ID	--	Consumer Confidence Index	Nov.		--	120.3
8 - Dec.	US	20:30	Initial Jobless Claims	Dec.		--	225K
<b>Friday</b>	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

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