

# Morning Brief

## Today's Outlook:

**Wall Street closed out 2022 with its worst performance since 2008**, and even the S&P 500 index corrected nearly 20% YTD. Chinese manufacturers' activities shrunk for three consecutive months in December, the fastest decline since the Covid 19 pandemic began three years ago, right after China loosened its zero-Covid policy. China's Dec. PMI dropped to 47 from 48 in November (per Reuter's consensus at 48). The increasing Covid spread is feared to cause labor shortages and supply chain disruptions. Moreover, the weakening demand, global recession threat amid rising interest, inflation, and the Russia-Ukraine war will still block China's exports; affect the major manufacturing sectors and hamper their economic recovery.

## Corporate Bonds

**WSKT: Working on Wastewater Projects at IKN.** PT Waskita Karya (Persero) Tbk, again, won another new contract from the New National Capital City (IKN) development project. The Ministry of Public Works and Housing (PUPR) once again appointed WSKT to work on the construction project of Wastewater Treatment Plant (IPAL) IKN, with the a contract worth IDR639 billion. The work on this project is planned to executed within 742 days and will be finished by the end oof 2024. (Emiten News)

## Domestic Issue

### The Government Officially Issued a Job Creation Law

The government officially issued a Government Regulation in Lieu of Law (Perpu) Number 2 of 2022, concering Job Creation at December 30, 2022. Coordinating Minister for Economic Affairs, Airlangga Hartanto said that the issuance of this regulation is urgent, considering that the Indonesian economy will face a global recession threat with a high uncertainty. Currently, as may as 30 countries have asked for assistance from the International Monetary Fund (IMF) so that the threat of crisis for developing countries becomes increasingly real. (Bisnis.com)

## Recommendation

**JCI closed 2022 with a 4% market return**, as it could not return to the 7000 level or higher. There is still hope for the January Effect as long as JCI is able to stay above the MA10 & MA20 Support within the range of 6830-6820. The golden cross of MA10 & MA20 is expected to become a short-term Uptrend platform towards the TARGET of around 6950-6960, up to 7000 as psychological Resistance. A line of economic data will also be a catalyst, starting with Indonesia's Core Inflation rate, which is predicted to rise by 3.39% (vs. previous 3.3%). NHKSI Research suggests an overall Hold position and reminds the Average Up to be done after yesterday's High of 6888.

## 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	: 96.16 (6.15%)
FR0091	: 96.33 (6.89%)
FR0093	: 96.37 (6.77%)
FR0092	: 100.30 (7.09%)
FR0086	: 98.07 (6.16%)
FR0087	: 97.68 (6.88%)
FR0083	: 103.19 (7.17%)
FR0088	: 94.50 (6.88%)

## CDS of Indonesia Bonds

CDS 2yr	: +17.62% to 44.65
CDS 5yr	: -0.94% to 99.57
CDS 10yr	: +0.59% to 173.25

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.94%	0.02%
USDIDR	15,568	-0.57%
KRWIDR	12.36	-0.09%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,147.25	(73.55)	-0.22%
S&P 500	3,839.50	(9.78)	-0.25%
FTSE 100	7,451.74	(60.98)	-0.81%
DAX	13,923.59	(148.13)	-1.05%
Nikkei	26,094.50	0.83	0.00%
Hang Seng	19,781.41	40.27	0.20%
Shanghai	3,089.26	15.56	0.51%
KOSPI	2,236.40	(44.05)	-1.93%
EIDO	22.39	(0.03)	-0.13%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,824.0	9.1	0.50%
Crude Oil (\$/bbl)	80.26	1.86	2.37%
Coal (\$/ton)	404.15	0.00	0.00%
Nickel LME (\$/MT)	30,048	(211.0)	-0.70%
Tin LME (\$/MT)	24,808	(107.0)	-0.43%
CPO (MYR/Ton)	4,174	84.0	2.05%

# Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	FR	15:50	S&P Global France Manufac. PMI	Dec F		48.9	48.9
2 - Jan.	GE	15:55	S&P Global/BME Germany Man. PMI	Dec F		47.4	47.4
<b>Tuesday</b>	US	21:45	S&P Global US Manufacturing PMI	Dec F		--	--
3 - Jan.	CH	08:45	Caixin China PMI Mfg	Dec		49.2	49.4
	GE	20:00	CPI MoM	Dec P		-0.7%	-0.5%
	GE	20:00	CPI YoY	Dec P		9.0%	10.0%
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Dec 30		--	0.9%
4 - Jan.	US	22:00	ISM Manufacturing	Dec		48.5	49.0
	FR	14:45	CPI YoY	Dec P		6.3%	6.2%
<b>Thursday</b>	US	02:00	FOMC Meeting Minutes	Dec 14		--	--
5 - Jan.	US	20:30	Trade Balance	Nov		-\$75.3 B	-\$78.2 B
	US	20:30	Initial Jobless Claims	Dec 31		--	--
	CH	08:45	Caixin China PMI Composite	Dec		--	47.0
	CH	08:45	Caixin China PMI Services	Dec		46.8	46.7
<b>Friday</b>	US	20:30	Change in Nonfarm Payrolls	Dec		200K	263K
6 - Jan.	US	20:30	Unemployment Rate	Dec		3.7%	3.7%
	GE	14:00	Retail Sales MoM	Nov		1.8%	1.8%

Source: Bloomberg

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