

Morning Brief

Daily | Jan. 3, 2023

Today's Outlook:

The Wall Street index is still closed due to the New Year's holiday. Yet, European exchanges started the first day of trading in 2023 quite enthusiastically, up about 1 percent, supported by manufacturing data from Eurozone countries that were in line or better than expected (other than German Manufacturing PMI 47.1, which is lower than the consensus 47.4 but still higher than the previous position of 46.2), raising hopes that the worst economic conditions have passed. Meanwhile, Brazil posted a USD62.3 billion trade surplus during 2022 (USD 4.8 billion during December 2022, above the estimation from Reuters of USD3 billion), a record figure since 1989.

Corporate Bonds

PTPP: Injecting IDR9.36 Billion Capital to Business Entity. PTPP (Persero) Tbk (PTPP) injected IDR9.35 billion capital into the business entity. The business entity received a loan for operational needs from the shareholder, namely PT Sinergi Colomadu. Additionally, the loan facility is along with an interest rate of 9%/year or 0.75%/month. (Emiten News)

Domestic Issue

Indonesian Government Plans to Tighten Palm Oil Exports

The Indonesian government plans to tighten palm oil exports starting January 1, 2023. The tightening is carried out by reducing abroad shipments and focusing on supplying domestic consumption. These actions aim to ensure sufficient domestic supply, especially for the 1/2023 quarter. Thus, Indonesia plans to send only six times the total domestic sales consumption, as the ratio will be evaluated periodically by considering the cooking oil price and availability.

Recommendation

The inflation throughout 2022 was recorded at 5.51% YoY (0.66% MoM), up significantly from 1.87% at the end of the previous year, driven by food commodities, fuel, and transportation fares, which rationally increased during the Christmas and New Year's holiday seasons. JCI started the first trading day in 2023 by, again, testing the MA10 & MA20 Support area in the range of 6840-6815 (Low: 6823) but ended it with a Doji candle. It brings today's hope that the candle will be confirmed by a green-colored candle, ending the consolidation of the past week and continuing the short-term up-swing (bullish) towards the 6950-6960 target up to the psychological level of 7000.

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 : 96.21 (6.14%)
FR0091 : 96.35 (6.91%)
FR0093 : 96.60 (6.74%)
FR0092 : 100.29 (7.10%)

FR0086 : 98.03 (6.17%)
FR0087 : 97.71 (6.87%)
FR0083 : 103.17 (7.17%)
FR0088 : 94.50 (6.88%)

CDS of Indonesia Bonds

CDS 2yr: -0.27% to 44.53
CDS 5yr: -0.94% to 99.57
CDS 10yr: -0.61% to 172.20

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.95%	0.01%
USDIDR	15,573	0.03%
KRWIDR	12.24	-0.95%

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
Tuesday	US	20:30	Wholesale Inventories MoM	Nov	1.0%	0.3%	0.5%
<i>27 - Dec.</i>	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
<i>28 - Dec.</i>	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
<i>29 - Dec.</i>	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
<i>30 - Dec.</i>	NE	12:30	Retail Sales YoY	Nov		--	2.9%

Source: Bloomberg

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