

Morning Brief

Daily | Jan. 10, 2023

Today's Outlook:

U.S. 10-year Treasury yields slipped further as December U.S. employment data began to show weakness, providing support to rate-sensitive sector, such as Technology, as investors began to expect a more dovish tone from the Fed. Fed Fund Futures projects the highest rate to fall from 5% compared to last week.

Corporate News

Pefindo Affirms idAAA Rating for Adira Finance. PT Pemeringkat Efek Indonesia (Pefindo) assigned an idAAA rating to PT Adira Dinamika Multi Finance Tbk (Adira Finance) and its several bonds. Some of the bonds include Sustainable Bonds IV Phase II/2018 Series D worth IDR162 billion, which will mature on March 21, 2023, and Sustainable Bonds V Phase III/2022 Series worth IDR620 billion, which will mature on April 2, 2023. On the other hand, Pefindo also affirmed that the idAAA(sy) rating is given to Adira Finance's Sustainable Mudharabah Sukuk, including Sukuk Mudharabah III Phase II/2018 Series C and SR Sukuk Mudharabah IV Phase III/2022 Series A. (Kontan)

Domestic Issue

The Ministry of Finance issued Government Bonds (SUN) of USD 3 billion, or equivalent to IDR 46.9 trillion (exchange rate: IDR 15,644 / USD). These bonds have a tenor of 5, 10, and 30 years with the format of SEC-Registered on January 5, 2023. Quoted from the official press release of the Ministry of Finance's DJPPR, this transaction reflects the government's optimism to enter the global market as the first emerging country in Asia to issue global bonds in 2023 and signifies the Government's success in issuing global bonds with the SEC format for the thirteenth time since 2018. The total order book throughout the book-building process had reached USD 17 billion and moved to the level of USD 14.4 billion at the time of final price guidance, or 4.82x of the total won. This figure is the highest bid-to-cover ratio in the last 4 years. (IDX Channel).

Recommendation

US10YT yield finds Support around 3.52-3.50. If it breaks through the Support, it will start to disrupt the long-term uptrend of the US10YT yield in the Parallel Channel pattern. If a technical rebound can occur around the Support, then the upward challenges must be faced are in the following yield areas: 3.6-3.61 / 3.67 / 3.69 / 3.82 / 3.9 ; so that US10YT can resume its up-swing. ADVISE: Speculative Buy, Average Up accordingly. **ID10YT is also testing Support of 7.02**, which maintains the upward movement towards TARGET 7.11 – 7.23 remain intact. ADVISE: Average Up should be done after being able to rebound above MA50 (above 7.04).

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.50%	5.25%	Real GDP	5.50%	5.25%
FX Reserve (USD bn)	134.00	130.20	Current Acc (USD bn)	137.20	134.00
Trd Balance (USD bn)	4.97	5.67	Govt. Spending Yoy	4.97	5.67
Exports Yoy	5.58%	12.30%	FDI (USD bn)	5.58%	12.30%
Imports Yoy	-1.89%	17.44%	Business Confidence	-1.89%	17.44%
Inflation Yoy	5.42%	5.71%	Cons. Confidence*	5.51%	5.42%

PRICE OF BENCHMARK SERIES

FR0090 : 96.23 (6.14%)
FR0091 : 96.96 (6.82%)
FR0093 : 96.90 (6.71%)
FR0092 : 100.37 (7.09%)

FR0086 : 98.20 (6.11%)
FR0087 : 97.79 (6.86%)
FR0083 : 103.48 (7.14%)
FR0088 : 95.00 (6.82%)

CDS of Indonesia Bonds

CDS 2yr: -5.11% to 38.79
CDS 5yr: -5.57% to 91.14
CDS 10yr: -3.77% to 155.39

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.91%	-0.07%
USDIDR	15,568	-0.42%
KRWIDR	12.52	1.58%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,517.65	(112.96)	-0.34%
S&P 500	3,892.09	(2.99)	-0.08%
FTSE 100	7,724.94	25.45	0.33%
DAX	14,792.83	182.81	1.25%
Nikkei	25,973.85	153.05	0.59%
Hang Seng	21,388.34	396.70	1.89%
Shanghai	3,176.08	18.45	0.58%
KOSPI	2,350.19	60.22	2.63%
EIDO	21.90	(0.08)	-0.36%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,871.8	6.1	0.33%
Crude Oil (\$/bbl)	74.63	0.86	1.17%
Coal (\$/ton)	393.85	(2.30)	-0.58%
Nickel LME (\$/MT)	27,434	(645.0)	-2.30%
Tin LME (\$/MT)	25,861	591.0	2.34%
CPO (MYR/Ton)	4,118	66.0	1.63%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 9 - Jan.	CH	—	Money Supply M2 YoY	Dec	—	12.3%	12.4%
	ID	—	Consumer Confidence Index	Dec	119.9	—	119.1
	GE	14:00	Industrial Production SA MoM	Nov	0.2%	0.3%	-0.1%
Tuesday 10 - Jan.	US	18:00	NFIB Small Business Optimism	Dec		91.5	91.9
	US	22:00	Wholesale Inventories MoM	Nov F		1.0%	1.0%
	FR	14:45	Industrial Production YoY	Nov		—	-2.7%
	FR	14:45	Industrial Production MoM	Nov		—	-2.6%
Wednesday 11 - Jan.	US	19:00	MBA Mortgage Applications	Jan		—	-10.3%
	CH	—	FDI YTD YoY CNY	Dec		—	9.9%
Thursday 12 - Jan.	US	20:30	CPI MoM	Dec		0.0%	0.1%
	US	20:30	CPI YoY	Dec		6.6%	7.1%
	US	20:30	Initial Jobless Claims	Jan 7		—	204 K
	CH	08:30	PPI YoY	Dec		-0.1%	-1.3%
	CH	08:30	CPI YoY	Dec		1.8%	1.6%
	US	02:00	Monthly Budget Statement	Dec		—	-\$248.5
Friday 13 - Jan.	US	22:00	U. of Mich. Sentiment	Jan P		60.5	59.7
	CH	—	Trade Balance	Dec		\$74.30 B	\$69.84 B

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



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