

# Morning Brief

Daily | Jan. 13, 2023

## Today's Outlook:

**US inflation data fell for the first time since May 2020**, bolstering optimism that the Federal Reserve will downshift to a smaller rate hike at next month's FOMC Meeting, which is at 0.25% (probability 92%). The CPI fell by 0.1% in December 2022, contrasting with economists' forecast of no change. This deflation decreased the annual CPI to 6.5% YoY from 7.1% in November. Core inflation (which excludes volatile food & energy prices) still rose 0.3%, as expected. Initial Jobless Claims came at 205K, still below the forecast of 215K and the previous period of 206K, proving that the market labour is still tight. Treasury yields are under pressure as the Fed seems to take a pause first, while the 10-year Treasury yield fell below 3.5%.

## Corporate News

**Sandiaga Uno's Issuer Releases IDR 1.5 T Bonds.** An issuer in the telecommunications infrastructure service industry, PT Tower Bersama Infrastructure is seeking new funding through its subsidiary. The company is seeking new funding through the issuance of bonds or debt securities worth IDR1.5 trillion, which is one of the company's Sustainable Bonds V programs. This time, the bonds of issuers affiliated with Sandiaga Uno's Saratoga Group only offer a short-term tenor which is a one-year coupon or interest for investors in the range of 5.75%-6.75% per year. (CNBC Indonesia)

## Domestic Issue

**The rupiah to US dollar exchange rate strengthened** to 15,338 along with the existing sentiment from falling US CPI and rising inflation in China. Meanwhile, investors turned slightly bullish on the Indonesian rupiah for the first time since April last year, although the long-term bets on the currency were the least among currencies that were part of a Reuters poll.

## Recommendation

**US10YT is hanging on to the lower channel Support** of its long-term uptrend, right at 3.45. Technical rebound anticipation happens to keep this uptrend intact towards the resistance/TARGET, a stack of Moving Averages in the range of 3.58-3.68; if the range can be broken through, it will free the yield to move forwards to 3.8 or even the previous high of 3.9. **Equivalently, ID10YT yield is also almost at the bottom target**, according to the Rising Wedge pattern around 6.715, while RSI begins to show positive divergence. The same thing we advise is to anticipate a technical rebound towards the first resistance: the intersection of MA10 & MA20 at yield 6.91, before catching up to MA50/6.98 up to 7.0 psychological level.

## 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 : 96.60 (6.04%)  
FR0091 : 98.05 (6.66%)  
FR0093 : 94.75 (6.96%)  
FR0092 : 100.37 (6.99%)

FR0086 : 98.47 (6.02%)  
FR0087 : 98.86 (6.68%)  
FR0083 : 104.09 (7.08%)  
FR0088 : 94.50 (6.88%)

## CDS of Indonesia Bonds

CDS 2yr: -4.04% to 38.67  
CDS 5yr: -3.55% to 89.84  
CDS 10yr: -3.04% to 155.81

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.75%	-0.06%
USDIDR	15,338	-0.94%
KRWIDR	12.31	-0.90%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,189.97	216.96	0.64%
S&P 500	3,983.17	13.56	0.34%
FTSE 100	7,794.04	69.06	0.89%
DAX	15,058.30	110.39	0.74%
Nikkei	26,449.82	3.82	0.01%
Hang Seng	21,514.10	78.05	0.36%
Shanghai	3,163.45	1.61	0.05%
KOSPI	2,365.10	5.57	0.24%
EIDO	22.30	0.58	2.67%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,897.1	21.4	1.14%
Crude Oil (\$/bbl)	78.39	0.98	1.27%
Coal (\$/ton)	377.50	7.50	2.03%
Nickel LME (\$/MT)	27,789	750.5	2.78%
Tin LME (\$/MT)	26,813	953	3.69%
CPO (MYR/Ton)	3,911	0.0	0.00%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	—	Money Supply M2 YoY	Dec	—	12.3%	12.4%
<b>9 - Jan.</b>	ID	—	Consumer Confidence Index	Dec	119.9	—	119.1
	GE	14:00	Industrial Production SA MoM	Nov	0.2%	0.3%	-0.1%
<b>Tuesday</b>	US	18:00	NFIB Small Business Optimism	Dec	89.8	91.5	91.9
<b>10 - Jan.</b>	US	22:00	Wholesale Inventories MoM	Nov F	1.0%	1.0%	1.0%
	FR	14:45	Industrial Production YoY	Nov	0.7%	-1.0%	-2.7%
	FR	14:45	Industrial Production MoM	Nov	2.4%	0.8%	-2.6%
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Jan	1.2%	—	-10.3%
<b>11 - Jan.</b>	CH	—	FDI YTD YoY CNY	Dec	—	—	9.9%
<b>Thursday</b>	US	20:30	CPI MoM	Dec	-0.1%	-0.1%	0.1%
<b>12 - Jan.</b>	US	20:30	CPI YoY	Dec	6.5%	6.5%	7.1%
	US	20:30	Initial Jobless Claims	Jan 7	205 K	215 K	204 K
	CH	08:30	PPI YoY	Dec	-0.7%	-0.1%	-1.3%
	CH	08:30	CPI YoY	Dec	1.8%	1.8%	1.6%
<b>Friday</b>	US	02:00	Monthly Budget Statement	Dec	—	—	-\$248.5
<b>13 - Jan.</b>	US	22:00	U. of Mich. Sentiment	Jan P	60.5	59.7	59.7
	CH	—	Trade Balance	Dec	—	\$74.30 B	\$69.84 B

Source: Bloomberg

## United States 10 Years Treasury

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United States 10-Year, United States, NYSE:US10YT=X, D



## Indonesia 10 Years Treasury

Indonesia 10-Year, Indonesia, D, Jakarta - 04.819 H:6.819 L:6.819 C:6.819

MA (10, close, 0) - 4.915

MA (20, close, 0) - 4.917

MA (50, close, 0) - 4.917



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