

Morning Brief

Daily | Jan. 18, 2023

Today's Outlook:

European Central Bank policymakers are reportedly considering a slower pace of interest rate hikes. The 50 basis-point increase in February signaled by ECB President Christine Lagarde remains likely, but the possibility of a smaller 25-point rise in March is possible. This matter is based on the premise that the inflation rate is seen to ease in the euro area as the natural gas prices fall and the potential of a more dovish move by the US Federal Reserve. Meanwhile, US Treasury's long-term yield began to rise as investors monitored the Bank of Japan meeting outcome and prepared for a possible increase in corporate bond supply. Japan's 10-year sovereign bonds have surpassed the BOJ's policy ceiling for 3 consecutive sessions, underpinned by the speculation that the Japan central bank will loosen its control over the yield curve. If this happens, Japan's Treasury will become more attractive than UST, especially for the foreign currency hedging factor.

Corporate News

Mayora Indah Will Pay Overdue Debts on April 2023. PT Mayora Indah Tbk (MYOR) has bonds maturing shortly. PT Perneringkat Efek Indonesia (Pefindo) assesses that MYOR can pay its overdue debt on April 24, 2023. Therefore, Pefindo affirmed that idAA's rating for PT Mayora Indah Tbk's sustainable bonds I phase III 2018 is worth IDR500 billion. Moreover, Mayora's management will pay off the maturity bonds with internal cash. (Kontan)

Domestic Issue

Through the Directorate General of Budget Financing and Risk Management (DJPPR), Ministry of Finance, the government sets the coupon or yield of the SBR012 series of Retail Savings Bonds (SBR), which has two types: SBR012-T2 and SBR012-T4. The SBR012 coupon is floating with floor or floating with a minimum limit. The SBR012 issuance is special this time since it offers two coupons for two different tenors. According to the DJPPR's announcement, the coupon of SBR012-T2, which has a 2-year tenor, is 6.15% per year, and the coupon of SBR012-T4, with a 4-year tenor is 6.35% per year. (Bareksa)

Recommendation

ID10YT yield rebounded quite tensely after touching the Support area of 6.71. Currently, the yield is facing MA10 & MA20 Resistance in the area of 6.86-6.897. A break above the level will bring the yield to the next target, which is MA50 at 6.95, up to 7.0 as the psychological level. ADVISE: gradual Average Up after several Moving Average Resistance. On the other hand, **US10YT still seems to be struggling** to break the MA10 Resistance or move above the 3.54 yield; in order to free up the pace of yield towards 3.63-3.66 at MA50 & MA20 Resistance range. ADVISE: gradual Average Up.

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)	137.20	134.00	Current Acc (USD bn)	137.20	134.00
Trd Balance (USD bn)	3.89	5.16	Govt. Spending Yoy	4.97	5.67
Exports Yoy	6.58%	5.58%	FDI (USD bn)	5.58%	12.30%
Imports Yoy	-6.61%	-1.89%	Business Confidence	-1.89%	17.44%
Inflation Yoy	5.51%	5.42%	Cons. Confidence*	5.51%	5.42%

PRICE OF BENCHMARK SERIES

FR0090 : 96.43 (6.09%)
FR0091 : 97.75 (6.70%)
FR0093 : 94.30 (6.45%)
FR0092 : 101.99 (6.94%)

FR0086 : 98.27 (6.09%)
FR0087 : 98.78 (6.70%)
FR0083 : 105.04 (6.99%)
FR0088 : 94.20 (6.92%)

CDS of Indonesia Bonds

CDS 2yr: -1.51% to 37.87
CDS 5yr: -1.57% to 87.37
CDS 10yr: -1.16% to 153.25

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.76%	0.00%
USDIDR	15,165	0.80%
KRWIDR	12.24	0.54%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,910.85	(391.76)	-1.14%
S&P 500	3,990.97	(8.12)	-0.20%
FTSE 100	7,851.03	(9.04)	-0.12%
DAX	15,187.07	53.03	0.35%
Nikkei	26,138.68	316.36	1.23%
Hang Seng	21,577.64	(169.08)	-0.78%
Shanghai	3,224.25	(3.35)	-0.10%
KOSPI	2,379.39	(20.47)	-0.85%
EIDO	22.64	0.32	1.43%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,908.7	(7.3)	-0.38%
Crude Oil (\$/bbl)	80.18	0.32	0.40%
Coal (\$/ton)	369.25	0.50	0.14%
Nickel LME (\$/MT)	26,596	(620.5)	-2.28%
Tin LME (\$/MT)	28,466	(290.0)	-1.01%
CPO (MYR/Ton)	3,795	(57.0)	-1.48%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 16 - Jan.	ID	—	Imports YoY	Dec	-6.61%	-7.99%	-1.89%
	ID	—	Trade Balance	Dec	\$3,890 Mn	\$4,172 Mn	\$5,160 Mn
	ID	—	Exports YoY	Dec	6.58%	7.45%	5.58%
Tuesday 17 - Jan.	US	20:30	Empire Manufacturing	Jan	-32.9	-8.7	-11.2
	CH	09:00	Industrial Production YoY	Dec	1.3%	0.1%	2.2%
	CH	09:00	Retail Sales YoY	Dec	-1.8%	-9.0%	-5.9%
	CH	09:00	GDP YoY	4Q	2.9%	1.6%	3.9%
Wednesday 18 - Jan.	US	19:00	MBA Mortgage Applications	Jan 13	—	—	1.2%
	US	21:15	Industrial Production MoM	Dec	—	-0.1%	-0.2%
Thursday 19 - Jan.	ID	14:20	Bank Indonesia 7D Reverse Repo	Jan 19	—	5.75%	5.50%
	US	20:30	Housing Starts	Dec	—	1,350 K	1,427 K
	US	20:30	Initial Jobless Claims	Jan 14	—	—	205 K
	US	22:00	Existing Home Sales	Dec	—	3.96 Mn	4.09 Mn
	US	22:00	Existing Home Sales	Dec	—	3.96 Mn	4.09 Mn
Friday 20 - Jan.	GE	14:00	PPI MoM	Dec	—	-1.1%	-3.9%
	GE	14:00	PPI YoY	Dec	—	21.7%	28.2%

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta