

Morning Brief

Daily | Jan. 26, 2023

Today's Outlook:

Inflation in Australia rose to a new 32-year high of 7.8% in the 4Q22, marking the fastest pace since March 1990. Additionally, Singapore's inflation eased to 6.5% in December 2022 after being stable at 6.7% for the past two months and almost in line with the expectations of 6.55%. European economic data showed an uptick in business activity in the region's services and manufacturing sectors, as German Business Climate Index rose to 90.2 points from 88.6 points on "considerable less pessimistic expectations." However, this was below its 2021 and early 2022 optimism. This week, the global market will focus on the 4Q22 GDP data release this Thursday, which is expected to show a cooling in growth.

Corporate News

Indah Kiat Pulp & Paper (INKP) Finalizes the Offering of IDR 1.74 T Bond and Sukuk. PT Indah Kiat Pulp & Paper (INKP) will issue Sustainable Bonds III Phase IV amounting to IDR 1.07 trillion, and Sustainable Mudharabah Sukuk II Phase IV Year 2023 amounting to IDR 675.51 billion. Thus, the total funds raised through this corporate action reached IDR1.74 trillion. This bond consists of two series, series A bonds amounting to IDR909.32 billion and series B bonds worth IDR163.6 billion. Meanwhile, INKPS's Mudharabah Sukuk consists of three series of Sukuk, including Series A sukuk worth IDR106.885 billion, Series B sukuk worth IDR501.5 billion, and Series C sukuk worth IDR67 billion. (Kontan)

Domestic Issue

The Directorate General of Budget Financing and Risk Management (DJPPR) of the Ministry of Finance explained that investors were enthusiastic in welcoming the offering period of the SBN Retail series SBR012, where sales have reached 57.6% of the initial target. In other words, SBR012 has sold IDR 5.76 trillion with 23,847 investors from the Government's initial target of IDR 10 trillion. The high investor interest is due to the SBR012 yield rate, which is higher than the previous SBR series and higher than the average deposit interest of state-owned banks; the coupon type is floating with floor. (KONTAN / Bonds).

Recommendation

ID10YT managed to bounce off the support from the previous low of 6.62 and is now successfully perched back above the MA10 / 6.70. The following focus is to continue trying the northward path to a yield of 6.82-6.83, or even MA50 / 6.89. ADVISE: Buy or Average Up. On the other hand, **US10YT is trying to regain ground** after coming back below MA10, making 3.47 as the closest resistance now; before breaking free towards MA20 & MA50 in the yield range: 3.53-3.59. Thus, the US10YT condition still looks giddy with the Support area around 3.40. ADVISE: Hold, Buy on Break.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.50%	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 : 96.31 (6.13%)
FR0091 : 98.27 (6.63%)
FR0093 : 99.05 (6.48%)
FR0092 : 102.29 (6.91%)

FR0086 : 98.25 (6.10%)
FR0087 : 99.05 (6.65%)
FR0083 : 105.21 (6.97%)
FR0088 : 94.25 (6.91%)

CDS of Indonesia Bonds

CDS 2yr: +1.06% to 38.06
CDS 5yr: +0.56% to 87.14
CDS 10yr: +0.80% to 153.31

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.66%	0.04%
USDIDR	14,965	0.52%
KRWIDR	12.15	0.44%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,743.84	9.88	0.03%
S&P 500	4,016.22	(0.73)	-0.02%
FTSE 100	7,744.87	(12.49)	-0.16%
DAX	15,081.64	(11.47)	-0.08%
Nikkei	27,395.01	95.82	0.35%
Hang Seng	21,650.98	(27.02)	-0.12%
Shanghai	3,240.28	15.87	0.49%
KOSPI	2,428.57	33.31	1.39%
EIDO	23.05	(0.05)	-0.22%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,946.1	8.8	0.45%
Crude Oil (\$/bbl)	80.15	0.02	0.02%
Coal (\$/ton)	354.00	(5.60)	-1.56%
Nickel LME (\$/MT)	29,182	400.0	1.39%
Tin LME (\$/MT)	30,850	890.0	2.97%
CPO (MYR/Ton)	3,753	(139.0)	-3.57%

koDate	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	22:00	Leading Index	Dec	-1.0%	-0.7%	-1.0%
23 - Jan.	PD	16:00	Retail Sales YoY	Dec	15.5%	17.8%	18.4%
Tuesday	US	21:45	S&P Global US Manufacturing PMI	Jan P	46.8	46.0	46.2
24 - Jan.	FR	15:15	S&P Global France Manufacturing PMI	Jan P	50.8	49.5	49.2
	GE	15:30	S&P Global Germany Manufact. PMI	Jan P	47.0	48.0	47.1
	JP	07:30	Jibun Bank Japan PMI Mfg	Jan P	48.9	—	48.9
Wednesday	US	19:00	MBA Mortgage Applications	Jan 20	7.0%	—	27.9%
25 - Jan.	KR	—	Retail Sales YoY	Dec	—	—	8.4%
Thursday	US	20:30	GDP Annualized QoQ	4Q A	—	2.6%	3.2%
26 - Jan.	US	20:30	Initial Jobless Claims	Jan 21	—	—	190 K
	US	20:30	Durable Goods Orders	Dec P	—	2.8%	-2.1%
Friday	US	20:30	Personal Income	Dec	—	0.2%	0.4%
27 - Jan.	US	20:30	Personal Spending	Dec	—	-0.1%	0.1%
	JP	06:30	Tokyo CPI YoY	Jan	—	4.0%	4.0%

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



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