

# Morning Brief

Daily | Jan. 27, 2023

## Today's Outlook:

**US GDP data for 4Q22 came in at 2.9%**, higher than the 2.6% forecast but indeed lower than 3.2% in 3Q22. This sign of economic slowdown started to emerge due to the Federal Reserve's aggressive pace of interest rate hikes, as well as the weakening demand in the housing market as reflected in Building Permits, which contracted to 1.337 million, lower than the previous 1.351 million. The weakening demand was also seen from the New Home Sales (Dec.), which fell to 616K, lower than the forecast of 617K, although more robust than the previous month at 602 K. As for the labor market remains tight despite the massive wave of layoffs at several technology giants, with Initial Jobless Claims still at 186K, coming in lower than the 205K expected for last week and below the previous period of 192K. Those several results have made investors expect increasingly dovish future rate hikes, though The Fed has emphasized that the 5% FFR is non-negotiable to suppress US inflation further. Meanwhile, foreigners are seen hunting for Government Securities (SBN) amid rising yields. Based on data from the Directorate General of Financing and Risk Management (DJPPR) of the Indonesian Ministry of Finance, from January 2 to January 24, 2023, foreign investors still recorded a net buy or inflow of IDR 42.1 trillion. As for this week, foreigners recorded an inflow of IDR 30.3 trillion. Meanwhile, from the auction market, the State Sharia Securities (SBSN) auction that was held last Tuesday, foreign bids reached IDR 7.6 trillion. This amount doubled compared to the previous auction on January 10 of IDR 3.38 trillion.

## Corporate News

**PT Chandra Asri Petrochemical Tbk (TPIA) Sells Bonds with 9.5% Interest Rate.** PT Chandra Asri Petrochemical Tbk (TPIA) will raise funds through the issuance of bonds worth IDR1.25 trillion with three tenors. The tenors are five years with an interest rate offer of 8.00-8.50% per year, seven-year maturity with a coupon of 8.50-9.00% per year, and ten years with a yield offered between 9.00-9.50% per year. Those bonds shall be paid every three months. (CNBC Indonesia)

## Domestic Issue

**The government issued special bonds** for the Voluntary Disclosure Program (PPS) or tax amnesty program volume II for 2023. This year's first bonds will be issued later this month. If no issues are encountered, the government will issue the state securities (SBN) for five times up to September 2023. The issuance schedule is carried out alternately between government bonds (SUN) and state sharia securities (SBSN). (KONTAN/Business Insight)

## Recommendation

**ID10YT yield continued to rise** after successfully breaking out MA10 at 6.7, thus potentially heading towards the next Resistance at MA20 / 6.83, up to MA50 around 6.89; thus starting to try to break the downtrend in yield from last November. ADVISE: Average Up accordingly. **The same bullish reversal pattern is also happening on the US10YT yield**, where it is estimated to form an Inverted Head & Shoulders pattern with a crucial Neckline at 3.55 (all MA20 break); thus opening the way to TARGET 3.72-3.77. ADVISE: Buy on Break after breaking the Neckline; Average Up above MA50/3.6.

## 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 : 96.28 (6.14%)  
FR0091 : 98.30 (6.62%)  
FR0093 : 99.02 (6.48%)  
FR0092 : 102.29 (6.91%)

FR0086 : 98.24 (6.11%)  
FR0087 : 99.03 (6.66%)  
FR0083 : 105.03 (6.99%)  
FR0088 : 94.25 (6.91%)

## CDS of Indonesia Bonds

CDS 2yr: -1.73% to 38.06  
CDS 5yr: -2.39% to 85.06  
CDS 10yr: -1.28% to 151.35

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.68%	0.02%
USDIDR	14,948	-0.11%
KRWIDR	12.14	-0.09%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,949.41	205.57	0.61%
S&P 500	4,060.43	44.21	1.10%
FTSE 100	7,761.11	16.24	0.21%
DAX	15,132.85	51.21	0.34%
Nikkei	27,362.75	(32.26)	-0.12%
Hang Seng	22,566.78	522.13	2.37%
Shanghai	3,240.28	15.87	0.49%
KOSPI	2,468.65	40.08	1.65%
EIDO	23.34	0.29	1.26%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,929.2	(16.9)	-0.87%
Crude Oil (\$/bbl)	81.01	0.86	1.07%
Coal (\$/ton)	355.60	1.60	0.45%
Nickel LME (\$/MT)	29,427	245.0	0.84%
Tin LME (\$/MT)	32,262	1412.0	4.58%
CPO (MYR/Ton)	3,781	28.0	0.75%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	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%
<b>Tuesday</b>	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
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Jan 20	7.0%	—	27.9%
25 - Jan.	KR	—	Retail Sales YoY	Dec	—	—	8.4%
<b>Thursday</b>	US	20:30	GDP Annualized QoQ	4Q A	2.9%	2.6%	3.2%
26 - Jan.	US	20:30	Initial Jobless Claims	Jan 21	186 K	205 K	190 K
	US	20:30	Durable Goods Orders	Dec P	5.6%	2.5%	-2.1%
<b>Friday</b>	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

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## Indonesia 10 Years Treasury

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