

Morning Brief

Today's Outlook:

The investors are assessing the release of macroeconomic data and earnings report ahead of a run of FOMC Meeting announcements this Wednesday, which is widely expected to raise interest rates by 25 basis points (bps); while interest rate announcements from the Bank of England and the European Central Bank are scheduled for Thursday, with both seen as likely to hike rates by 50 basis points. US Consumer Confidence fell to a reading of 107.1 (vs. forecast & previous: 109), signaling consumers grew less upbeat about job prospects and expected business conditions to softer in the near term as inflation expectations for the next 12 months climbed to 6.8% from 6.6 last month. US 4Q22 Employment Cost Index settled at 1% (vs. 1.1% forecast, vs. 1.2% previous), showed the weakest growth in a year, even in a tight labor market. In eastern part of the world, Chinese Composite PMI (Jan.) increased to a reading of 52.9, vs. previous 42.6, which indicates a high optimism over future business expansion in both manufacturing and services sectors. Investors will closely monitor comments from Fed Chair Jerome Powell following the announcement for clues on the path of monetary policy. IMF raised its 2023 economic growth projection to 2.9% from 2.6% previously, supported by easing inflation and China re-opening, although the Ukraine war will still be a drag on the global economy. With a series of economic data & information rolling out in the global financial market, the benchmark 10-year US Treasury yield fell 3.5bps to 3.516%, after rallying to a 2-week high of 3.574%.

Corporate News

Bank Panin Prepares IDR3.9 Trillion Bond Repayment Fund. PT Bank Pan Indonesia Tbk (Bank Panin) has bonds that will mature soon. The Sustainable Bonds II Phase III Year 2018 has a nominal value of IDR 3.9 trillion. The Company has prepared sufficient funds to repay this obligation. The funds for the repayment are currently placed between banks. Furthermore, the Company will continue to monitor the interest rate and market demand before deciding on the realization of this corporate action. (Kontan)

Domestic Issue

The Government Bonds (SUN) Auction on Tuesday, January 31, 2023, was seen crowded with the number of bids entering the SUN auction, this time reaching IDR67.08 trillion, higher than the previous bid of IDR59.05 trillion, according to an official statement from the Directorate General Of Budget Financing and Risk Management of the Ministry of Finance. The government has absorbed IDR 23 trillion, the same amount as the SUN auction two weeks ago. (KONTAN)

Recommendation

US10YT yield is still a bit reluctant to break the Neckline of the bullish reversal Inverted Head & Shoulders pattern, not yet confirming the opening of the way to the TARGET around 3.77. ADVISE: Buy on Break; or Average Up accordingly if able to break MA50/3.58. Please note the mid-term risk lies in the yield barrier of 3.68-3.7. **ID10YT is still heading downwards** within the Parallel Channel pattern. Bottoming attempt with new bullish reversal potential will be confirmed when it is able to break yield 6.77 and then MA50 at 6.87. TARGET bullish yield if this downtrend is broken: 7.05 / 7.2 / 7.3. ADVISE: Buy on Break; or Average Up accordingly.

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	: 96.30 (6.14%)
FR0091	: 98.30 (6.62%)
FR0093	: 98.81 (6.50%)
FR0092	: 102.36 (6.90%)
FR0086	: 98.13 (6.15%)
FR0087	: 99.14 (6.64%)
FR0083	: 105.12 (6.98%)
FR0088	: 95.62 (6.75%)

CDS of Indonesia Bonds

CDS 2yr:	1.23% to 38.67
CDS 5yr:	2.56% to 88.29
CDS 10yr:	0.93% to 154.90

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.71%	-0.05%
USDIDR	14,990	0.13%
KRWIDR	12.17	-0.25%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,086.04	368.95	1.09%
S&P 500	4,076.60	58.83	1.46%
FTSE 100	7,771.70	(13.17)	-0.17%
DAX	15,128.27	2.19	0.01%
Nikkei	27,327.11	(106.29)	-0.39%
Hang Seng	21,842.33	(227.40)	-1.03%
Shanghai	3,255.67	(13.65)	-0.42%
KOSPI	2,425.08	(25.39)	-1.04%
EIDO	23.23	(0.08)	-0.34%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,928.4	5.2	0.27%
Crude Oil (\$/bbl)	78.87	0.97	1.25%
Coal (\$/ton)	251.75	(13.60)	-5.13%
Nickel LME (\$/MT)	29,219	317.0	1.10%
Tin LME (\$/MT)	29,809	(1029.0)	-3.34%
CPO (MYR/Ton)	3,815	(121.0)	-3.07%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 30 - Jan.	US	22:30	Dallas Fed Manf. Activity	Jan	-18.4	-15.0	-18.8
	—	—	—	—	—	—	—
Tuesday 31 - Jan.	US	22:00	Conf. Board Consumer Confidence	Jan	107.1	109.0	108.3
	CH	08:30	Manufacturing PMI	Jan	50.1	50.1	47.0
	JP	06:30	Jobless Rate	Dec	2.5%	2.5%	2.5%
	JP	06:50	Retail Sales YoY	Dec	3.8%	3.2%	2.6%
	FR	13:30	GDP QoQ	4Q P	0.1%	0.0%	0.2%
Wednesday 1 - Feb.	US	21:45	S&P Global US Manufacturing PMI	Jan F	—	—	46.8
	US	22:00	ISM Manufacturing	Jan	—	48.1	48.4
	CH	08:45	Caixin China PMI Mfg	Jan	—	49.5	49.0
	ID	—	S&P Global Indonesia PMI Mfg	Jan	—	—	50.9
	ID	—	CPI YoY	Jan	—	5.40%	5.51%
Thursday 2 - Feb.	US	02:00	FOMC Rate Decision (Lower Bound)	Feb 1	—	4.50%	4.25%
	US	02:00	FOMC Rate Decision (Upper Band)	Feb 1	—	4.75%	4.50%
	US	20:30	Initial Jobless Claims	Jan 28	—	—	186 K
	US	22:00	Factory Orders	Dec	—	1.5%	-1.8%
	US	22:00	Durable Goods Orders	Dec F	—	—	5.6%
Friday 3 - Feb.	US	20:30	Personal Income	Dec	—	0.2%	0.4%
	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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