

# Morning Brief

Daily | Feb. 21, 2023

## Today's Outlook:

**Bank Indonesia recorded that the current account surplus in 4Q22 amounted to USD 4.3 billion or 1.3% of GDP**, a slight slowdown from 3Q22 of USD 4.5 billion; the recorded amount was supported by non-oil and gas trade balance surplus and high export commodity prices. Thus, the current account surplus throughout 2022 rose significantly to USD13.2 billion (1% of GDP) compared to the 2021 surplus of USD3.5 billion. (0.3% of GDP).

Today, a series of economic data that concerns global financial markets scheduled to release, most of which are Purchasing Manager Index from Japan, France, Germany, the Eurozone, the UK, and the US. In addition, the German ZEW Economic Sentiment Index will provide a view of economic conditions for the next six months, surveyed from 350 German institutional investors and analysts. Lastly, the US Existing Home Sales (Jan.) will also be monitored from the previous figure of 4.02 million. It is now expected to rise to 4.1 million, providing an insight into the US housing market and an indicator of general economic strength. From the East, China kept its lending rate at 3.65% for the 6th consecutive month. The Dollar Index traded around 104, remaining steady as robust US economic data is expected to keep the Fed hawkish. The 10-year US Treasury bond is still perched at a 6-week highs of 3.822%.

## Corporate News

**Bond Restructuring of PT Waskita Karya Tbk** The government is targeting the bond restructuring of PT Waskita Karya Tbk (WKST) to be completed by April 2023, faster than the initial plan in July. This decision is made to allow Waskita to continue working on strategic projects, such as the completion of the IDR 12 trillion toll road project. Deputy Minister of SOE II Kartika Wirjoatmodjo emphasized that Waskita's creditors from banks, pension funds, and retail investors must accept Waskita's restructuring in order for the company to recover. (Investor Daily)

## Domestic Issue

**Issuing SBN Retail State Sukuk SR018** The government plans to issue Retail Government Securities (SBN) of the Retail State Sukuk (SR) or SR018. This safe investment, guaranteed by the state with sharia principles, is believed to attract retail investors during the offering period, scheduled for March 3 to 29, 2023. SR018 is tradable in the secondary market so that investors may sell before maturity.

## Recommendation

**US10YT is consolidating after reaching Resistance from the previous High level of 3,905.** Keep an eye on the nearest Support which is MA10/3.78 in order to keep this short term Uptrend intact. ADVISE: Average Up above 3.93 because with such a break, yield will accelerate towards TARGET: 4.243 / 4.338.

**ID10YT is moving more bullish after yield break Neckline of the first Bottoming pattern** which is Inverted Head & Shoulders (blue), supported by MA10 & MA20 which has been golden crossed; providing a platform for short term Uptrend at least towards TARGET: yield 7.0. The second trend reversal pattern is when ID10YT breaks the upper channel downtrend (blue) around the 6.84% yield figure; which will open the way to a higher TARGET at 7.203. ADVISE: Gradual Average Up above 6.812 & 6.84.

## Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.01%	5.72%
FX Reserve (USD bn)	139.40	137.20	Current Acc (USD bn)	4.54	4.02
Trd Balance (USD bn)	3.87	3.89	Govt. Spending Yoy	-4.77%	-2.88%
Exports Yoy	16.37%	6.58%	FDI (USD bn)	5.14	4.70
Imports Yoy	1.27%	-6.61%	Business Confidence	104.82	105.33
Inflation Yoy	5.28%	5.51%	Cons. Confidence*	123.00	119.90

## PRICE OF BENCHMARK SERIES

FR0090 : 95.98 (6.24%)  
FR0091 : 98.31 (6.62%)  
FR0093 : 97.83 (6.61%)  
FR0092 : 100.95 (7.03%)

FR0086 : 97.83 (6.27%)  
FR0087 : 99.49 (6.58%)  
FR0083 : 104.38 (7.05%)  
FR0088 : 93.75 (6.98%)

## CDS of Indonesia Bonds

CDS 2yr: +4.77% to 42.03  
CDS 5yr: +0.69% to 93.09  
CDS 10yr: +3.47% to 163.78

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.72%	-0.02%
USDIDR	15,158	-0.30%
KRWIDR	11.71	0.09%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,826.69	129.84	0.39%
S&P 500	4,079.09	(11.32)	-0.28%
FTSE 100	8,014.31	9.95	0.12%
DAX	15,477.55	(4.45)	-0.03%
Nikkei	27,531.94	18.81	0.07%
Hang Seng	20,886.96	167.15	0.81%
Shanghai	3,290.34	66.31	2.06%
KOSPI	2,455.12	3.91	0.16%
EIDO	23.18	(0.11)	-0.47%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,841.4	(1.0)	-0.05%
Crude Oil (\$/bbl)	76.34	(2.15)	-2.74%
Coal (\$/ton)	205.65	(3.70)	-1.77%
Nickel LME (\$/MT)	26,932	1139.0	4.42%
Tin LME (\$/MT)	26,700	844.0	3.26%
CPO (MYR/Ton)	4,167	36.0	0.87%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	CH	08:15	5-Year Loan Prime Rate	Feb 20	4.30%	4.30%	4.30%
20 - Feb.	ID	10:00	BoP Current Account Balance	4Q	\$4,300M	\$4,475M	\$4,400M
<b>Tuesday</b>	US	21:45	S&P Global US Manufacturing PMI	Feb P		47.0	46.9
21 - Feb.	US	22:00	Existing Home Sales	Jan		4.11M	4.02M
	JP	07:30	Jibun Bank Japan PMI Mfg	Feb P		—	48.9
	KR	04:00	Consumer Confidence	Feb		—	90.7
<b>Wednesday</b>	KR	04:00	Business Survey Manufacturing	Mar		—	65
22 - Feb.	GE	14:00	CPI YoY	Jan F		8.7%	8.7%
<b>Thursday</b>	US	02:00	FOMC Meeting Minutes	Feb 1		—	—
23 - Feb.	US	20:30	GDP Annualized QoQ	4Q S		2.9%	2.9%
	US	20:30	Initial Jobless Claims	Feb 18		—	194K
	US	20:30	Continuing Claims	Feb 11		—	1,696K
<b>Friday</b>	US	20:30	Personal Income	Jan		1.0%	0.2%
24 - Feb.	US	20:30	Personal Spending	Jan		1.0%	-0.2%
	US	20:30	New Home Sales	Jan		620K	616K
	US	22:00	U. of Mich. Sentiment	Feb F		66.4	66.4

Source: Bloomberg

## United States 10 Years Treasury

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## Indonesia 10 Years Treasury

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## Research Division

### Head of Research

**Liza Camelia Suryanata**

Equity Strategy, Technical

T +62 21 5088 ext 9134

E [liza.camelia@nhsec.co.id](mailto:liza.camelia@nhsec.co.id)

### Analyst

**Cindy Alicia**

Consumer, Healthcare

T +62 21 5088 ext 9129

E [cindy.alicia@nhsec.co.id](mailto:cindy.alicia@nhsec.co.id)

### Research Support

**Amalia Huda Nurfalah**

Editor & Translator

T +62 21 5088 ext 9132

E [amalia.huda@nhsec.co.id](mailto: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 51<sup>st</sup> Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

**Branch Office BSD:**

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

**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

Fax : +62 21 6667 4960

**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

Telp : +62 411 361 5255

**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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