

# Morning Brief

Daily | Feb. 22, 2023

## Today's Outlook:

Wall Street posts its worst performance of the year, with all three major indexes falling by around 2%, as investors interpreted a rebound in US business activity in Feb. as reflected in the S&P Global Composite PMI figure, which moved into the expansionary territory of 50.2 (8-month high); another indicator that the Fed will keep interest rates high to control inflation. The US benchmark 10-year Treasury notes hit a three-month high, almost approaching a 4% yield, 3.9584% to be exact. The yield curve between 2-year and 10-year bonds remain inverted at -78bps, increasing concern over the looming recession. Meanwhile, from the European part, the Purchasing Manager Index level of their manufacturing sector is averagely weakening from the previous month, as happened in France, Germany, Eurozone; However, the service sector looks more expansive.

As for the nearest economic data releases awaited by market participants are German Inflation figures (Feb.) and the German Ifo Business Climate Index (Feb. ) at noon today (WIB); as well as the FOMC Meeting Minutes, which are expected to come out early Thursday morning (WIB); which will give market participants an insight into how the Federal Reserve's officials will respond to the economic data that is still heating up, as the market begins to consider the possibility of benchmark interest rates peaking at levels higher than the Fed's initial target, which is around 5.35% in July; considering that inflation still far from the Fed's 2% target.

## Corporate News

**Principal Repayment of Sustainable Bonds II Phase IV 2018 by BBRI** PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) will pay off the principal payment of Sustainable Bonds II Phase IV Year 2018 Series A, amounting to IDR1.83 trillion. The bonds have a five years tenor since distributed from February 21, 2018, which due was yesterday. Based on information from BRI Corporate Secretary Aestika Oryza Gunarto, BRI has a total maturing bonds of IDR5.31 trillion and USD500 million with the total value of bonds maturing in the first semester of 2023 is IDR2.34 trillion. (Bisnis.com)

## Domestic Issue

**Short Tenors Become Investors' Prey at SBSN Auction** Investor interest in the Government Sharia Securities (SBSN) auction yesterday was observed to be high. The incoming bid at the auction exceeded IDR 30 trillion from the six series offered. Based on information from the Directorate General of Financing and Risk Management (DJPPR), Ministry of Finance, the number of incoming bids at yesterday's auction amounted to IDR30.45 trillion. The government only won IDR12 trillion, lower than the government's indicative target of IDR 14 trillion. (Kontan)

## Recommendation

**US10YT** US10YT seems to have a more vigorous bullish trend and orderly rose above MA10 (3.82 is the nearest Support now). Yield has also broken Resistance from the previous High level of 3.905 (became the Trailing Stop level) and is still going towards the next TARGET of 4.00; followed by a yield of 4.243 / 4.338; as the Federal Reserve's hawkish view thickens. ADVISE: Average Up accordingly, and let your profit run.

**ID10YT** ID10YT yield is still blocked by the Neckline Resistance area around 6.75 (then followed by MA50 Resistance around 6.792); therefore, it has not confirmed the Inverted Head & Shoulders bullish reversal pattern. Good news: MA10 & MA20 golden cross, there is a hope that the initial stage of Uptrend is about to begin. ADVISE: please realize that Downtrend is still there; keep the gradual Average Up as the Resistance is broken later.

## 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)	5.27	5.14
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 : 95.92 (6.26%)  
FR0091 : 98.09 (6.66%)  
FR0093 : 97.83 (6.61%)  
FR0092 : 100.93 (7.04%)

FR0086 : 97.74 (6.30%)  
FR0087 : 99.25 (6.62%)  
FR0083 : 104.58 (7.04%)  
FR0088 : 93.75 (6.98%)

## CDS of Indonesia Bonds

CDS 2yr: +7.12% to 45.06  
CDS 5yr: +4.73% to 99.65  
CDS 10yr: +5.51% to 173.02

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.75%	0.02%
USDIDR	15,190	0.21%
KRWIDR	11.72	0.09%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,129.59	(697.10)	-2.06%
S&P 500	3,997.34	(81.75)	-2.00%
FTSE 100	7,977.75	(36.56)	-0.46%
DAX	15,397.62	(79.93)	-0.52%
Nikkei	27,473.10	(58.84)	-0.21%
Hang Seng	20,529.49	(357.47)	-1.71%
Shanghai	3,306.52	16.19	0.49%
Kospi	2,458.96	3.84	0.16%
EIDO	23.07	(0.11)	-0.47%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,835.1	(6.3)	-0.34%
Crude Oil (\$/bbl)	76.36	(0.19)	-0.25%
Coal (\$/ton)	208.50	2.85	1.39%
Nickel LME (\$/MT)	27,105	173.0	0.64%
Tin LME (\$/MT)	27,526	826.0	3.09%
CPO (MYR/Ton)	4,141	(26.0)	-0.62%

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	47.8	47.0	46.9
21 - Feb.	US	22:00	Existing Home Sales	Jan	4.00M	4.11M	4.02M
	JP	07:30	Jibun Bank Japan PMI Mfg	Feb P	47.4	—	48.9
	KR	04:00	Consumer Confidence	Feb	90.2	—	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



## Indonesia 10 Years Treasury



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