

# Morning Brief

Daily | Feb. 27, 2023

## Today's Outlook:

US economic data released on Friday sent Wall Street to close the week in negative territory, with the DJIA posting its biggest decline since September. With the DJIA posting the biggest decline since September, a minus of 3% last week causing the Dow to experience a decline of four consecutive weeks. The S&P 500 and Nasdaq Composite were down as well, with 2.7% and 3.3%, respectively. The Personal Consumption Expenditures (PCE) Price Index (Jan.) data, which the Fed uses to measure inflation; that jumped to 5.4% YoY (up 0.6% MoM). This result was not surprising as the Consumer Spending (Jan.) report, which supports 2/3 of US economic activity, jumped 1.8% last month (above expectations of 1.3%). New Home Sales (Jan.) also rose to 670k (above forecast & previous number of around 620k). With this kind of purchasing power, the market tied to the Fed's policy rate added to bets of more rate hikes this year, with the peak rate seen in the range of 5.25%-5.5% by June. The 2-year US Treasury yield, which is the most sensitive to the central bank policy, rallied to a 4-month high of 4.826%. Meanwhile, on the other hand, Japan's annual inflation rate rose to 4.3% (Jan.) vs. 4% in the previous month (the highest level since December 1981) driven by imported commodity prices and the weak yen. German economy contracted 0.4% in 4Q22 (worse than expected at minus 0.2%), the first sign of recession in 2 years.

For this week's forecast, a series of economic data will provide an overview of the US economy's robustness, as reflected in the Durable Goods Orders, Consumer Confidence, Home Sales Releases; as well as ISM Manufacturing & Service, which are scheduled to come out on Wednesday & Friday. Inflation figures from the Eurozone and its member countries (as well as Indonesia on 1 March), will provide an outlook on where interest policy is heading within a short-term. Meanwhile, from the East, China PMI data is expected to explain the rebound in consumer activity during the Lunar New Year holiday along with the border re-opening policy. To close the week, market participants are also awaiting a number of FY2022 earnings reports from retail companies, as this data is likely to shed a light on how well US consumer spending is performing and its impact on the Inflation rate.

## Corporate News

**TBS Energi Will Sell IDR 500 Billion Bonds This Week** Based on the Indonesian Central Securities Depository (KSEI) announcement, TBS Energi Utama will hold a bond public offering period on February 27-28 by issuing bonds in two series. Series A bonds have a principal value of IDR 423 billion, the bonds with a three-year tenor offer a fixed interest rate of 8.8% per year. Series B bonds have a principal value of IDR 75 billion; this 5-year bond offers a fixed interest rate of 10% per year. (Kontan)

## Domestic Issue

**IDX Records Total Bonds and Sukuk in 2023 Amounting to IDR12.48 Trillion** The total bond and sukuk that have been recorded throughout 2023 are 12 emissions from 11 issuers, which worth was IDR12.48 trillion. Therefore, up to this date, the total bond and sukuk emissions recorded on the IDX are 516 emissions, with an outstanding nominal value of IDR 455.03 trillion and USD47.5 million, issued by 126 issuers. Government Securities (SBN) listed on the IDX are 189 series, with a nominal value of IDR 5,425.54 trillion or an USD 452.11 million. Additionally, asset-backed securities (EBA) was recorded to have eight emissions, with a nominal value of IDR3.30 trillion. (Bisnis)

## Recommendation

**US10YT** is still steadily undergoing an Uptrend above MA10 Support, indicating a robust uptrend. TARGET: 4.243 / 4.338. ADVISE: pay attention to the nearest Support of 3,892, if it is broken then it is necessary to reduce the position. Next Support: yield 3,777.

**ID10YT** has temporarily stopped its upward move at the upper channel resistance around yield 6,812, which will open the possibility of a short pullback to test support at the Neckline pattern (bullish reversal) of Inverted Head & Shoulders as well as MA10, precisely at the point of yield 6.75. ADVISE: HOLD, BUY ON WEAKNESS.

## 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	: 95.51 (6.38%)
FR0091	: 97.67 (6.72%)
FR0093	: 97.25 (6.67%)
FR0092	: 100.62 (7.06%)
FR0086	: 97.54 (6.38%)
FR0087	: 98.80 (6.70%)
FR0083	: 104.22 (7.07%)
FR0088	: 97.18 (6.57%)

## CDS of Indonesia Bonds

CDS 2yr:	+2.55% to 43.51
CDS 5yr:	+2.41% to 98.09
CDS 10yr:	+1.87% to 167.96

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.80%	0.01%
USDIDR	15,225	0.23%
KRWIDR	11.67	-0.36%

## Global Indices

Index	Last	Chg.	%
Dow Jones	32,816.92	(336.99)	-1.02%
S&P 500	3,970.04	(42.28)	-1.05%
FTSE 100	7,878.66	(29.06)	-0.37%
DAX	15,209.74	(265.95)	-1.72%
Nikkei	27,453.48	349.16	1.29%
Hang Seng	20,010.04	(341.31)	-1.68%
Shanghai	3,267.16	(20.32)	-0.62%
Kospi	2,423.61	(15.48)	-0.63%
EIDO	22.88	(0.12)	-0.52%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,811.0	(11.2)	-0.62%
Crude Oil (\$/bbl)	76.32	0.93	1.23%
Coal (\$/ton)	209.20	(0.90)	-0.43%
Nickel LME (\$/MT)	24,554	(833.0)	-3.28%
Tin LME (\$/MT)	25,651	(520.0)	-1.99%
CPO (MYR/Ton)	4,202	(33.0)	-0.78%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	US	20:30	Durable Goods Orders	Jan P		-3.9%	5.6%
27 - Feb.	US	22:00	Pending Home Sales MoM	Jan		0.9%	2.5%
<b>Tuesday</b>	US	22:00	Conf. Board Consumer Confidence	Feb		108.4	107.1
28 - Feb.	JP	06:50	Industrial Production MoM	Jan P		-2.9%	0.3%
	FR	14:45	GDP QoQ	4Q F		—	0.1%
<b>Wednesday</b>	US	21:45	S&P Global US Manufacturing PMI	Feb F		47.8	47.8
1 - Mar.	US	22:00	ISM Manufacturing	Feb		47.8	47.4
	CH	08:30	Manufacturing PMI	Feb		50.7	50.1
	ID	—	CPI YoY	Feb		—	5.28%
	KR	07:00	Exports YoY	Feb		-8.8%	-16.6%
	KR	07:00	Imports YoY	Feb		4.4%	-2.6%
<b>Thursday</b>	US	20:30	Initial Jobless Claims	Feb 24		—	192K
2 - Mar.	US	20:30	Continuing Claims	Feb 18		—	1,654K
	JP	06:50	Capital Spending YoY	4Q		7.1%	9.8%
	KR	06:00	Industrial Production YoY			-8.9%	-7.3%
<b>Friday</b>	US	21:45	S&P Global US Composite PMI	Feb F		—	50.2
3 - Mar.	CH	08:45	Caixin China PMI Composite	Feb		—	51.1

Source: Bloomberg

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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