

Morning Brief

Daily | Feb. 28, 2023

Today's Outlook:

The global market was somewhat buoyant earlier this week on favorable economic data and bargain hunting after the market weakness last week, which was the most significant decline this year. However, investors remained vigilant over speculation of higher interest rate hikes in the US & Europe. Fed Futures even priced interest rates to peak at 5.4%, leading to speculation of a third rate hike in June and a higher 50 bps hike at the March FOMC Meeting. Additionally, US economic data revealed that US Core Capital Goods Orders (Jan.) increased above estimates, and Pending Home Sales (Jan.) also rose to the highest level in 2.5 years. At the same time, comments from Federal Reserve officials seemed to warn against any illusion that inflation would return quickly to the Fed's target (2%), with the US's cost of goods and services still stubbornly high. The 2-year US Treasury yield slipped by 2 bps to 4.785%, while the 10-year dropped 2.3bps to 3.925% yield.

Indonesian financial market sentiment was influenced by the release of government debt data, which reached IDR 7754.98 trillion (Jan.), an equivalent to a GDP ratio of 38.56%; a slight increase from last December's position of IDR 7733.99 trillion. On the other hand, Rupiah exchange rate weakened further to the level of IDR 15,274/USD.

Corporate News

Astra Sedaya Finance Prepares Funds to Pay Bond Coupons PT Astra Sedaya Finance has an obligation to pay the tenth coupon for Astra Sedaya Finance Sustainable Bond V Phase I Year 2020 Series B with a fixed interest rate. In its disclosure of information to the IDX, the company said it had prepared funds to pay the coupon. The value of funds that have been prepared is IDR 8.99 billion. In detail, the payment is based on the total principal of bonds worth IDR 473 billion, with an interest or coupon of 7.6%. Astra Sedaya will pay the funds to KSEI on March 1, 2023. The interest payment plan will be made on March 2, 2023. Those entitled to receive the funds are Astra Sedaya bondholders registered at KSEI with a record date of February 24, 2023. (Kontan)

Domestic Issue

Government Auctioned Seven Series of SUN with a Target of IDR 34.5 Trillion Through the Directorate General of Financing and Risk Management (DJPPR), Ministry of Finance, the government will conduct an auction of Rupiah-denominated Government Securities (SUN) today (28/2). This auction is targeted to raise IDR 23 trillion to IDR 34.5 trillion. Based on a statement from DJPPR on its official website, the auction of seven series of SUN denominated in Rupiah is conducted to fulfil part of the financing target for the 2023 State Budget. The auction will be held today from 09.00 to 11.00 WIB, while the settlement date is Thursday, March 2, 2023. (IDX Channel)

Recommendation

US10YT seems to stay on MA10 support, although RSI has started to reverse down from the Overbought area. ADVISE: pay close attention to the 3.89 yield level support in case you need to take profit immediately. Also, set your Trailing Stop, let your profit run. NEXT TARGET: 4.00 / 4.24-4.34 / 4.48-4.49.

ID10YT shows an increasingly bullish movement towards the TARGET yield of 6,987. ADVISE: Set your Trailing Stop, let your profit run. RSI is indeed approaching the Overbought area but the Uptrend is still relatively robust. NEXT TARGET: 7.00 / 7.06 / 7.19-7.20.

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	: 95.36 (6.42%)
FR0091	: 97.35 (6.77%)
FR0093	: 97.25 (6.67%)
FR0092	: 100.60 (7.07%)
FR0086	: 97.39 (6.43%)
FR0087	: 98.66 (6.72%)
FR0083	: 104.19 (7.07%)
FR0088	: 97.18 (6.57%)

CDS of Indonesia Bonds

CDS 2yr:	-4.38% to 41.61
CDS 5yr:	-3.67% to 94.49
CDS 10yr:	-3.44% to 162.18

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.86%	0.06%
USDIDR	15,270	0.30%
KRWIDR	11.53	-1.17%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,889.09	72.17	0.22%
S&P 500	3,982.24	12.20	0.31%
FTSE 100	7,935.11	56.45	0.72%
DAX	15,381.43	171.69	1.13%
Nikkei	27,423.96	(29.52)	-0.11%
Hang Seng	19,943.51	(66.53)	-0.33%
Shanghai	3,258.03	(9.13)	-0.28%
Kospi	2,402.64	(20.97)	-0.87%
EIDO	23.05	0.17	0.74%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,817.1	6.1	0.34%
Crude Oil (\$/bbl)	75.68	(0.64)	-0.84%
Coal (\$/ton)	196.50	(12.70)	-6.07%
Nickel LME (\$/MT)	25,505	951.0	3.87%
Tin LME (\$/MT)	25,478	(173.0)	-0.67%
CPO (MYR/Ton)	4,225	23.0	0.55%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	US	20:30	Durable Goods Orders	Jan P	-4.5%	-3.9%	5.6%
27 - Feb.	US	22:00	Pending Home Sales MoM	Jan	8.1%	0.9%	2.5%
Tuesday	US	22:00	Conf. Board Consumer Confidence	Feb		108.4	107.1
28 - Feb.	JP	06:50	Industrial Production MoM	Jan P	-2.9%	-2.9%	0.3%
	FR	14:45	GDP QoQ	4Q F	—	—	0.1%
Wednesday	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%	-8.8%	-16.6%
	KR	07:00	Imports YoY	Feb	4.4%	4.4%	-2.6%
Thursday	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%	7.1%	9.8%
	KR	06:00	Industrial Production YoY		-8.9%	-8.9%	-7.3%
Friday	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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