

Morning Brief

Daily | Feb. 6, 2023

Today's Outlook:

After the US Labor Department reported the economy added 517,000 jobs in January (almost three times what was expected), making investors recalibrate expectations over how hawkish the Fed may need to be in its efforts to rein in inflation as markets will be closely watching an appearance by Fed Chair Jerome Powell on Tuesday. Meanwhile, the unemployment rate fell to a 53.5-year low of 3.4%. Moreover, Indonesia's 4Q22 GDP scheduled to come out today (survey: 4.92%, vs previous 5.72%) will sum up the sentiment rolling in the market.

Corporate News

TBS Energi Utama (TOBA) Offers Up to IDR500 Billion Bonds. PT TBS Energi Utama Tbk (TOBA) is offering TBS Energi Utama Bonds I Year 2023, which has entered the initial offering period (book-building) from January 30 - February 13, 2023. The company plans to issue bonds with a maximum principal amount of IDR500 billion, consisting of two series. Series A Bonds offer coupon indications between 8.25%-9.25%. While Series B Bonds offer coupon indications between 9.25%-10.25%, which will be paid on a quarterly basis. (Kontan)

Domestic Issue

As interest rates continue to rise, the coupons of the bonds issued in January 2023 have also increased. On average, during January 2023, the coupon of the bonds issued was 9.51%. The rate was higher compared to January 2022, which was at 8.41%. In detail, the average coupon rate for debt securities issued during January 2023 with a 1-year tenor is at a level of 7.92%, a 2-year tenor with an average of 8.00%, then for a 3-year tenor has an average coupon of 9.98%, and 5 years is at a level of 11.33%. If compared between government bonds and corporate bonds with a 5-year tenor that have been issued in January, the yield of corporate bonds is relatively higher and attractive. (KONTAN)

Recommendation

ID10YT slides downward and continues to pass the support of the previous low level of 6.60, thus there is still an open threat to the following support, namely the lower channel 6.5. ADVISE: Hold, reduce position. In contrast to ID10YT, **the US10YT yield broke the Neckline of its Bottoming pattern**, opening up opportunities for further strengthening towards a yield of 3.68 or TARGET yield of 3.77; with provisions of being able to break MA50 Resistance at 3,575. ADVISE: 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	5.28%	5.51%	Cons. Confidence*	5.51%	5.42%

PRICE OF BENCHMARK SERIES

FR0090 : 96.37 (6.12%)
FR0091 : 98.85 (6.54%)
FR0093 : 97.75 (6.62%)
FR0092 : 102.04 (6.93%)

FR0086 : 98.37 (6.07%)
FR0087 : 99.73 (6.54%)
FR0083 : 105.19 (6.98%)
FR0088 : 95.62 (6.75%)

CDS of Indonesia Bonds

CDS 2yr: +4.05% to 35.69
CDS 5yr: +0.02% to 78.92
CDS 10yr: +3.12% to 145.74

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.55%	-0.04%
USDIDR	14,893	0.09%
KRWIDR	12.12	-0.69%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,926.01	(127.93)	-0.38%
S&P 500	4,136.48	(43.28)	-1.04%
FTSE 100	7,901.80	81.64	1.04%
DAX	15,476.43	(32.76)	-0.21%
Nikkei	27,509.46	107.41	0.39%
Hang Seng	21,660.47	(297.89)	-1.36%
Shanghai	3,263.41	(22.26)	-0.68%
KOSPI	2,480.40	11.52	0.47%
EIDO	23.43	(0.11)	-0.47%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,865.0	(47.8)	-2.50%
Crude Oil (\$/bbl)	73.39	(2.49)	-3.28%
Coal (\$/ton)	236.00	(8.65)	-3.54%
Nickel LME (\$/MT)	28,612	(1178.0)	-3.95%
Tin LME (\$/MT)	28,379	(998.0)	-3.40%
CPO (MYR/Ton)	3,851	100.0	2.67%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	11:00	GDP YoY	4Q	4.92%	5.72%	
6 - Feb.	ID	11:00	GDP QoQ	4Q	0.35%	1.81%	
	ID	11:00	GDP Annual YoY	2022	5.30%	3.69%	
Tuesday	US	20:30	Trade Balance	Dec	-\$68.5B	-\$61.5B	
7 - Feb.	CH	—	Foreign Reserves	Jan	\$3,156.5B	\$3,127.6B	
	ID	10:00	Foreign Reserves	Jan	—	\$137.2B	
Wednesday	US	19:00	MBA Mortgage Applications	Feb 3	—	-9.0%	
8 - Feb.	US	22:00	Wholesale Inventories MoM	Dec F	0.1%	0.1%	
	ID	—	Consumer Confidence Index	Jan	—	119.9	
	JP	06:50	BoP Current Account Balance	Dec	112.0B	1,803B	
	JP	06:50	Trade Balance BoP Basis	Jan	1,115B	1,537B	
	KR	06:00	BoP Current Account Balance	Dec	—	-\$621.7M	
Thursday	US	20:30	Initial Jobless Claims	Feb 4	190K	183K	
9 - Feb.	US	20:30	Continuing Claims	Jan 28	1,660K	1,655K	
	CH	—	Money Supply M2 YoY	Jan	11.7%	11.8%	
	JP	06:50	Money Stock M2 YoY	Jan	—	2.9%	
	GE	14:00	CPI YoY	Jan P	8.9%	8.6%	
Friday	US	22:00	U. of Mich. Sentiment	Feb P	65.0	64.9	
10 - Feb.	CH	08:30	CPI YoY	Jan	2.2%	1.8%	
	CH	08:30	PPI YoY	Jan	-0.4%	-0.7%	
	JP	06:50	PPI YoY	Jan	9.7%	10.2%	

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



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