

Morning Brief

Today's Outlook:

Global equity markets fell, and the dollar firmed against several world currencies after data showed a resilient US jobs market, indicating interest rates will stay higher for longer as central banks fight to slow inflation amid relatively strong economic growth. Government bonds, which typically perform well when there is a dash for safe havens, sold off intense pressure; resulting in the 10-year US Treasury yield crawling up to a 1-month high of 3.655%, while the yield on Germany's 10-year bond (Eurozone benchmark), reached 2.306%. Markets now predict that the FFR will peak at above 5.1% in July (as Fed officials had previously predicted) and then decline to 4.83% in December. Chinese Yuan hit a 1-month low, losing 2% in a span of 3 days. Markets are now focused on awaiting comments from Federal Reserve Chairman Jerome Powell, that set to speak on Tuesday.

Corporate News

The Adani Group Postpones Bond Issuance. The Adani Group or Adani Enterprises previously had plans to issue bonds worth USD121.65 million. Cited from Reuters, the plan to raise funds is currently on hold. Adani Enterprises also canceled its USD2.5 billion share sale after a drastic decline on Wednesday this week. The Adani Group's decline came after criticism from US short sellers and stripping billions from the value of the Indian tycoon's shares. (Republika)

Domestic Issue

The government held an auction of Government's Sharia Securities (SBSN) or state sukuk on Tuesday. The sukuk auction is expected to reach the target of IDR14 trillion or even exceed IDR20 trillion. There are 6 series of government sukuk offered in the auction this time. If referring to the medium tenor SBSN that considers liquidity, the PBS003 and PBS037 series, which mature in 2027 and 2036 respectively, are supposed to be the target of investors.

Recommendation

ID10YT YIELD rose quite sharply from the New Low position of 6.545 and even managed to surpass MA10 & MA20 at once; after a technical rebound signaled by the RSI positive divergence indicator. Overall, the trend is still down, so the nearest Resistance is none other than the upper channel around 6.76. If broken, it will free ID10YT towards the TARGET yield (gradually) at: 6.84 (MA50) / 7.07 / 7.20-7.24. ADVISE: Average Up accordingly. **US10YT YIELD continued to rise** after breaking from the Neckline of its Bottoming pattern at 3.544 yields (serves as the closest Support at the moment). The nearest Resistance to be faced is 3.67. If broken, it will bring US10YT to have a TARGET yield in the range of 3.774. 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	5.01%	5.72%
FX Reserve (USD bn)	137.20	134.00	Current Acc (USD bn)	4.02	4.97
Trd Balance (USD bn)	3.89	5.16	Govt. Spending Yoy	-4.77%	-2.88%
Exports Yoy	6.58%	5.58%	FDI (USD bn)	5.14	4.70
Imports Yoy	-6.61%	-1.89%	Business Confidence	104.82	105.33
Inflation Yoy	5.28%	5.51%	Cons. Confidence*	119.90	119.10

PRICE OF BENCHMARK SERIES

FR0090	: 96.28 (6.14%)
FR0091	: 98.32 (6.62%)
FR0093	: 97.33 (6.66%)
FR0092	: 101.92 (6.94%)
FR0086	: 98.24 (6.11%)
FR0087	: 99.43 (6.59%)
FR0083	: 104.89 (7.00%)
FR0088	: 96.17 (6.69%)

CDS of Indonesia Bonds

CDS 2yr	: +4.45 to 37.28
CDS 5yr	: -0.01% to 83.67
CDS 10yr	: +3.18% to 150.38

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.69%	0.14%
USDIDR	15,055	1.09%
KRWIDR	12.01	-0.85%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,891.02	(34.99)	-0.10%
S&P 500	4,111.08	(25.40)	-0.61%
FTSE 100	7,836.71	(65.09)	-0.82%
DAX	15,345.91	(130.52)	-0.84%
Nikkei	27,693.65	184.19	0.67%
Hang Seng	21,222.16	(438.31)	-2.02%
Shanghai	3,238.70	(24.71)	-0.76%
KOSPI	2,438.19	(42.21)	-1.70%
EIDO	23.16	(0.27)	-1.15%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,867.5	2.5	0.13%
Crude Oil (\$/bbl)	74.11	0.72	0.98%
Coal (\$/ton)	252.00	16.00	6.78%
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 6 - Feb.	ID	11:00	GDP YoY	4Q	5.01%	4.92%	5.72%
	ID	11:00	GDP QoQ	4Q	0.36%	0.35%	1.81%
	ID	11:00	GDP Annual YoY	2022	5.31%	5.30%	3.69%
Tuesday 7 - Feb.	US	20:30	Trade Balance	Dec		-\$68.5B	-\$61.5B
	CH	—	Foreign Reserves	Jan		\$3,156.5B	\$3,127.6B
	ID	10:00	Foreign Reserves	Jan		—	\$137.2B
Wednesday 8 - Feb.	US	19:00	MBA Mortgage Applications	Feb 3		—	-9.0%
	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 9 - Feb.	US	20:30	Initial Jobless Claims	Feb 4		190K	183K
	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 10 - Feb.	US	22:00	U. of Mich. Sentiment	Feb P		65.0	64.9
	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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