

# Morning Brief

Daily | Feb. 8, 2023

## Today's Outlook:

The investors digested comments from Federal Reserve Chair Jerome Powell at the Economic Club of Washington about how long the central bank may need to tame inflation. Powell said significant declines in inflation should be seen by 2023. However, cutting rates will not happen anytime soon, given the Fed's 2% inflation target and the strong US jobs report last Friday. Market participants began to settle in as FFR futures peaked at 5.12% in the summer and later declined to 4.785% by December. The Treasury curve, a recession harbinger when yields on two-year notes are higher than 10-year notes, remained inverted at -79.2 basis points. Benchmark government bond yields crept higher, with the 10-year German Bund trading at 2.361%, compared with less than 2% three weeks ago, and the US 10-year Treasury yield benchmark stands at 3.687%. From the Australian continent, the Reserve Bank of Australia raised its interest rates by 25 bps as expected, placing their benchmark interest rate at 3.35%, a decade high.

## Corporate News

**WSBP Holds a RUPO.** PT Waskita Beton Precast Tbk or WSBP awaits approval from the General Meeting of Bondholders (RUPO) to make an addendum to the trustee agreement (PWA) for PUB I Phase I and II Bonds. The RUPO approval, which will be held on February 15, 2023, is the most crucial factor in lifting the suspension. On the other hand, Pefindo recently upgraded the rating for WSBP's corporate, Phase I, and Phase II Bonds from idD (default) to idB with a Stable Outlook. (Emiten News)

## Domestic Issue

**The auction of the Government's Sharia Securities (SBSN)** or state sukuk has successfully reached the target. The positive bond market in the country still supports sukuk sales this time. The total incoming bid amounted to IDR26.26 trillion at Tuesday's sukuk auction (7/2). Thereof, the winning bid amounted to IDR14 trillion or following the indicative value targeted by the government. Additionally, in line with conventional bonds, investors continue to choose the medium tenors, 5 years-10 years, to get a better yield. (Kontan)

## Recommendation

**ID10YT yield broke the upper channel (downtrend) Resistance**, therefore, ending its short-term downtrend and opening up opportunities for the formation of an early-stage Uptrend; while MA10 & MA20 are also ready to become goldencross. Furthermore, if the yield is able to break MA50 / 6.83, it has the potential to continue heading north, to the TARGET sequence: 7.0 / 7.06 / close GAP 7.20 / 7.26. ADVISE: Average Up accordingly, especially after breaking MA50 / 6.83. **US10YT is steady going towards a TARGET yield of 3.77**, yet considered reasonable to meet the medium term Resistance around 3.65-3.60 yesterday. If a pullback occurs at this point, then the closest Support is the MA50 / 3.59-3.6 area; however, if the yield chooses to break Resistance 3.69-3.7 then ADVISE: Average Up is possible.

## 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)	139.40	137.20	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 : 96.13 (6.19%)  
FR0091 : 97.94 (6.68%)  
FR0093 : 96.87 (6.72%)  
FR0092 : 101.90 (6.94%)

FR0086 : 98.00 (6.20%)  
FR0087 : 99.29 (6.61%)  
FR0083 : 104.49 (7.04%)  
FR0088 : 96.65 (6.63%)

## CDS of Indonesia Bonds

CDS 2yr: +2.02 to 38.04  
CDS 5yr: +3.50% to 86.61  
CDS 10yr: +1.46% to 152.57

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.72%	0.03%
USDIDR	15,145	0.60%
KRWIDR	12.06	0.42%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,156.69	265.67	0.78%
S&P 500	4,164.00	52.92	1.29%
FTSE 100	7,864.71	28.00	0.36%
DAX	15,320.88	(25.03)	-0.16%
Nikkei	27,685.47	(8.18)	-0.03%
Hang Seng	21,298.70	76.54	0.36%
Shanghai	3,248.09	9.40	0.29%
KOSPI	2,451.71	13.52	0.55%
EIDO	23.48	0.32	1.38%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,873.1	5.6	0.30%
Crude Oil (\$/bbl)	77.14	3.03	4.09%
Coal (\$/ton)	255.65	3.65	1.45%
Nickel LME (\$/MT)	27,258	(1354.0)	-4.73%
Tin LME (\$/MT)	26,880	(1499.0)	-5.28%
CPO (MYR/Ton)	3,939	88.0	2.29%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	11:00	GDP YoY	4Q	5.01%	4.92%	5.72%
6 - Feb.	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%
<b>Tuesday</b>	US	20:30	Trade Balance	Dec	-\$67.4B	-\$68.5B	-\$61.5B
7 - Feb.	CH	—	Foreign Reserves	Jan	\$3,184.4B	\$3,155.0B	\$3,127.6B
	ID	10:00	Foreign Reserves	Jan	\$139.4B	—	\$137.2B
<b>Wednesday</b>	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
<b>Thursday</b>	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%
<b>Friday</b>	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

Published on Investing.com, 8 Feb 2023 - 2:09:33 GMT. Powered by TradingView  
United States 10 Year, United States, NYSE:US10YT-K, D



## Indonesia 10 Years Treasury

Published on Investing.com, 8 Feb 2023 - 2:15:48 GMT. Powered by TradingView  
Indonesia 10 Year, Indonesia, Jakarta:ID10YT-R, D



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