

# Morning Brief

## Today's Outlook:

**Several mixed market sentiments**, one of which came from the Federal Reserve officials on Wednesday adding to the cautious mood, stated that more interest rates rises are in the cards as the US central bank moves ahead with efforts to control inflation. The market expects two more 25 bps rate hikes by the middle of this year; with the Fed's target to peak at 5.132% in July, and that by December it will have declined to 4.813%. Treasury yields held near one-month highs as investors adjusted for the likelihood that the Fed will hike rates further than previously expected. The yield on 10-year Treasury notes fell 5.3 basis points to 3.621%, while those on two-year notes lost 4.2 basis points to 4.429%. Thus, the Treasury yield curve expanded to -81.2 bps. Two-year German yields, the most sensitive to any shifts in expectations for interest rates and inflation, rose by as much as 11 basis points to 2.725%; the highest level since last January 3. Gold prices edged up 0.5% to USD1,875.4 an ounce in a volatile trading session, tracking a pullback in the dollar, while investors looked forward to more economic data, which are: Germany CPI (Jan.) and US Initial Jobless Claims.

## Corporate News

**KAI Pays Bond and Sukuk Interest of IDR38.30 Billion.** State-owned transportation company PT Kereta Api Indonesia (Persero) reported that it had paid the interest of Kereta Api Indonesia Sustainable Bonds I Phase I Year 2022 Series A-B and Kereta Api Sustainable Sukuk Ijarah I Phase I Year 2022 Second, Series A-B, amounted IDR38.309 billion. Additionally, the bond proceeds will be used for the Refinancing Bonds I Year 2017 Series A, developing coal transportation in southern Sumatra, and procuring Adi Soemarmo International Airport Train facilities. (Emiten News)

## Domestic Issue

**Saving Bond Retail (SBR), series SBR012 sold well**, with SBR012-T2 sales reaching IDR16.13 trillion, while SBR012-T4 sales reaching IDR5.3 trillion. In total, sales of both series reached IDR21.43 trillion. The offering period for this year's inaugural Government Securities only lasts until this Thursday at 10:00 WIB. The positive sales are supported by the safe nature of SBN and the attractive nature of its floating with floor coupon, aka floating with a minimum limit that refers to the BI 7-Day Reverse Repo Rate. (KONTAN)

## Recommendation

**ID10YT yield breaks Parallel Channel - downtrend**, thus, the yield has the potential to move up towards TARGET: 6.83 (MA50) / 7.0 / 7.06 / 7.20 / 7.262. ADVISE: Average Up accordingly. Following the same path, **the US10YT yield is also on-the-way to the upside TARGET** of the DOUBLE BOTTOM bullish reversal pattern at around 3,774. It is expected that MA50 will be able to perform well as the nearest Support at 3,585 level. ADVISE: Average Up above 3.70; or Buy on Weakness at MA10 / 3.55 Support

## 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*	123.00	119.90

## PRICE OF BENCHMARK SERIES

FR0090	: 96.22 (6.16%)
FR0091	: 98.39 (6.61%)
FR0093	: 96.87 (6.72%)
FR0092	: 101.90 (6.94%)
FR0086	: 98.11 (6.16%)
FR0087	: 99.52 (6.58%)
FR0083	: 104.59 (7.03%)
FR0088	: 96.65 (6.63%)

## CDS of Indonesia Bonds

CDS 2yr	: +1.13 to 38.47
CDS 5yr	: -1.28% to 85.50
CDS 10yr	: +0.78% to 153.76

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.65%	-0.07%
USDIDR	15,100	-0.30%
KRWIDR	11.98	-0.69%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,949.01	(207.68)	-0.61%
S&P 500	4,117.86	(46.14)	-1.11%
FTSE 100	7,885.17	20.46	0.26%
DAX	15,412.05	91.17	0.60%
Nikkei	27,606.46	(79.01)	-0.29%
Hang Seng	21,283.52	(15.18)	-0.07%
Shanghai	3,232.11	(15.99)	-0.49%
KOSPI	2,483.64	31.93	1.30%
EIDO	23.50	0.02	0.09%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,875.5	2.4	0.13%
Crude Oil (\$/bbl)	78.47	1.33	1.72%
Coal (\$/ton)	239.35	(16.30)	-6.38%
Nickel LME (\$/MT)	27,248	(10.0)	-0.04%
Tin LME (\$/MT)	27,071	191.0	0.71%
CPO (MYR/Ton)	3,997	58.0	1.47%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 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%
<b>Tuesday</b> 7 - Feb.	US	20:30	Trade Balance	Dec	-\$67.4B	-\$68.5B	-\$61.5B
	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> 8 - Feb.	US	19:00	MBA Mortgage Applications	Feb 3	7.4%	—	-9.0%
	US	22:00	Wholesale Inventories MoM	Dec F	0.1%	0.1%	0.1%
	ID	—	Consumer Confidence Index	Jan	123.0	—	119.9
	JP	06:50	BoP Current Account Balance	Dec	33.4B	112.0B	1,803B
	JP	06:50	Trade Balance BoP Basis	Jan	-1,225B	-1,115B	-1,537B
	KR	06:00	BoP Current Account Balance	Dec	\$2677.2M	—	-\$621.7M
<b>Thursday</b> 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%
<b>Friday</b> 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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