

# Morning Brief

## Today's Outlook:

Investors held back ahead of Federal Reserve Chair Jerome Powell's presentation at 22:00 (GMT) and the February jobs report on Friday. The 10-year and 2-year US Treasury yields turned higher after data showed US Factory Orders (Jan.) fell lower than expected at 1.6% MoM (vs. forecast -1.8%, vs. previous 1.7%). The UK Construction PMI (Feb.) came in at an expansive 54.6 (higher than forecast 49.1, vs. previous 48.4). From Asia, market participants will also keep an eye on China's Trade Balance (Feb.) report, which is predicted to increase to USD 81.8 billion from USD 78 billion. The raw commodity materials sector was weak yesterday after China set a lower-than-expected target for economic growth this year at around 5%, which was quite disappointing as it was lower than the market forecast of 5.5%. German Factory Orders (Jan.) will also attract market attention to see if it is as contractionary as the US. New orders for German manufacturing companies are projected to fall to -0.9% from the previous month's 3.2%.

A slow trading pattern was also seen on JCI, where it closed flat, 6 points downward but still stayed above the 6800 Support level. Bank Indonesia Governor Perry Warjiyo said that Indonesia's economy could grow 5.1% by 2023 as they try to bring inflation down to below 4% in the 2nd semester. However, the statement could not prevent yesterday's Foreign Net Sell, which amounted to IDR 250.35 billion, bringing the Rupiah exchange rate to IDR 15322/USD (source: RTI Business). To reduce dependence on the USD, Bank Indonesia and Bank of Korea agreed to extend the bilateral currency swap arrangement (BCSA), which allows the exchange of local currencies of both countries up to KRW 10.7 trillion or equivalent IDR 115 trillion.

## Corporate News

**FIF Discontinues Sustainable Bonds V Public Offering** PT Federal International Finance (FIF) has stopped the Sustainable Public Offering of Sustainable Bonds V (PUB V) effective May 27, 2021. Since it was offered from May 2021 to February 2023, FIF has raised IDR 9.43 trillion from the offering. In fact, the previous target was IDR 10 trillion. Based on an official statement on Monday by FIF President Director Margono Tanuwijaya said that the Company terminated PUB V while considering the plan to issue bonds through a new Sustainable Public Offering. (Kontan)

## Domestic Issue

**SR018 Sales Reach IDR 2.28 Trillion Within Just Two Days** The total order for the SR018 series of retail sukuk (SR) has reached IDR 2.28 trillion since the offer opened last week on Friday, March 3, 2023. Based on data from one of the online distribution partners on Monday at around 17.00 WIB, sales of the 3-year SR018 T3 series have touched IDR 1.69 trillion. The order quota is listed at IDR 13.30 trillion from the target of IDR 15 trillion. Meanwhile, the SR018 T5 series has sold IDR 587.81 billion. The order limit is IDR 4.41 trillion from the target of IDR 5 trillion. Director of Sharia Financing at the Ministry of Finance's DJPPR, Dwi Irianti Hadiningdyah, said the government is optimistic that public interest in SR018 will remain high, following the positive trend of previous retail sukuk sales. (Bisnis)

## Recommendation

**US10YT** is still holding above the first Support, which is MA10 / yield 3.965%, trying its best to maintain this short-term Uptrend. The MA20 Support Test / at the 3.9% yield level was successful, but our ADVISE is to hold & not to be too aggressive in adding positions but still always use Trailing Stops to secure profits (if necessary).

**ID10YT** is slightly restrained after a fairly drastic rise last Friday through the psychological yield level of 7%. Since RSI has also reached Overbought, our best ADVISE is to prepare yourself if a short pullback to test Support at the 7% level should occur. In terms of pattern, ID10YT still has an upside potential to TARGET 7.189-7.202%

## 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 : 95.29 (6.45%)  
FR0091 : 97.02 (6.82%)  
FR0093 : 97.00 (6.70%)  
FR0092 : 100.04 (7.12%)

FR0086 : 97.23 (6.50%)  
FR0087 : 98.13 (6.81%)  
FR0083 : 103.47 (7.15%)  
FR0088 : 96.75 (6.62%)

## CDS of Indonesia Bonds

CDS 2yr: -0.31% to 35.57  
CDS 5yr: -0.71% to 90.21  
CDS 10yr: -0.20% to 153.40

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.93%	-0.05%
USDIDR	15,295	-0.03%
KRWIDR	11.80	0.24%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,431.44	40.47	0.12%
S&P 500	4,048.42	2.78	0.07%
FTSE 100	7,929.79	(17.32)	-0.22%
DAX	15,653.58	75.19	0.48%
Nikkei	28,237.78	310.31	1.11%
Hang Seng	20,603.19	35.65	0.17%
Shanghai	3,322.03	(6.37)	-0.19%
Kospi	2,462.62	30.55	1.26%
EIDO	22.42	(0.19)	-0.84%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,846.9	(9.6)	-0.52%
Crude Oil (\$/bbl)	80.46	0.78	0.98%
Coal (\$/ton)	181.75	(7.15)	-3.79%
Nickel LME (\$/MT)	24,430	(167.0)	-0.68%
Tin LME (\$/MT)	24,555	(195.0)	-0.79%
CPO (MYR/Ton)	4,283	(69.0)	-1.59%

Date	Country	Hour	Event	Period	Actual	Consensus	Previous
<b>Monday</b> 6 - Mar.	US	22:00	Factory Orders	Jan	-1.6%	-1.5%	1.8%
	US	22:00	Durable Good Orders	Jan F	-4.5%	—	-4.5%
	KR	06:00	CPI YoY	Feb	4.8%	5.0%	5.2%
<b>Tuesday</b> 7 - Mar.	CH	—	Exports YTD YoY	Feb		-9.3%	16.1%
	CH	—	Imports YTD YoY	Feb		-5.3%	—
	CH	—	Trade Balance YTD	Feb		\$80.85B	\$109.54B
	CH	—	Foreign Reserves	Feb		\$3,160.0B	\$3,184.4B
	ID	10:00	Foreign Reserves	Feb		—	\$139.40B
	KR	06:00	GDP YoY	4Q P		1.4%	1.4%
<b>Wednesday</b> 8 - Mar.	US	20:30	Trade Balance	Jan		-\$69.0B	-\$67.4B
	ID	—	Consumer Confidence Index	Feb		—	123.0
	JP	06:50	BoP Current Account Balance	Jan		-¥742.9B	¥33.4B
	JP	06:50	Trade Balance BoP Basis	Jan		-¥2,918.0B	¥
	GE	14:00	Retail Sales MoM	Jan		2.5%	-5.3%
<b>Thursday</b> 9 - Mar.	US	20:30	Initial Jobless Claims	Mar 4		—	190K
	US	20:30	Continuing Claims	Feb 25		—	1,655K
	CH	08:30	CPI YoY	Feb		2.0%	2.1%
	CH	08:30	PPI YoY	Feb		-1.4%	-0.8%
	CH	—	Money Supply M2 YoY	Feb		12.5%	12.6%
	JP	06:50	GDP Annualized SA QoQ	4Q F		0.8%	0.6%
<b>Friday</b> 10 - Mar.	US	20:30	Change in Nonfarm Payrolls	Feb		215K	517K
	US	20:30	Unemployment Rate	Feb		3.4%	3.4%

Source: Bloomberg

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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