

Morning Brief

Daily | Mar. 08, 2023

Today's Outlook:

US stock indexes plunged above 1%, as the 2-year Treasury yield soared to its highest level since 2007, entering the upper 5% level as Federal Reserve Jerome Powell's hawkish remarks ramped up bets on a return to aggressive rate hikes at the central bank's March meeting; along with strong growth in February economic data. About 70% of traders now expect the Fed to deliver a 50 bps rate hike at its March 21-22 Meeting, a significant upward from 31% on Monday before Powell's statement, as reported by CME Group Fedwatch. Powell also said that the Fed would not consider changing its 2% inflation target, and the job market does not suggest an economic downturn is close. Meanwhile, from Asia, China's economic data release did not receive a positive reception from the market as their YoY (Feb.) Export & Import fell both from estimates and January, although managed to gain the largest surplus for 5 years at USD 116.88 billion (much higher than forecast & previous). The foreign exchange reserves data (Feb.) recorded an increase to USD 140.3 billion from USD 139.4 billion (Jan.); however, this did not stop the Rupiah from weakening to IDR15400/USD (source: RTI Business).

Corporate News

Pegadaian Prepares Funds to Pay Off Maturing Bonds PT Pegadaian has prepared funds to pay off several principal bonds that will mature in May 2023. The funds prepared are worth IDR 2.33 trillion. There are 4 securities owned by Pegadaian that will mature in May, including two in the form of bonds worth IDR 2.5 trillion and two others in the form of mudharabah sukuk worth IDR 720 billion. Pegadaian Treasury Division Head Zulfian Adam revealed that his party will pay off the principal of these securities from bank loans and Islamic banking. (Kontan)

Domestic Issue

Foreign Investors Buy IDR 93.58 T of Indonesian Bonds In the first two months of 2023, foreign investors bought up government securities (SBN) in the Indonesian capital market. In total, the inflow of funds from foreign investors in SBN reached IDR 93.58 trillion. Based on data from the Financial Services Authority (OJK), in January 2023 foreign investors made a net purchase of IDR 49.70 trillion. While in February 2023, the net value of incoming foreign capital reached IDR 43.88 trillion (as of February 24, 2023). This phenomenon is contrary to what has happened in the last two years. Where foreign investors did a lot of net selling, or withdrawing their funds from SBN. In 2022, foreign funds were recorded to have left as much as IDR 129.16 trillion. Meanwhile, in 2021, the withdrawal of foreign funds from SBN was worth IDR 82.57 trillion. (CNBC Indonesia)

Recommendation

US10YT is still undergoing an orderly Uptrend above MA10 & MA20 Support. Average Up after Resistance from the previous High yield at 4.091%; it is expected that US10YT will continue to strengthen towards yield 4.243-4.338%. ADVISE: let your profit run, set your Trailing Stop; Average Up accordingly.

ID10YT uptrend is still intact towards the 7.19-7.20 TARGET. ADVISE: Hold, let your profit run; set your Trailing Stop (i.e. if ID10YT yield closes lower than the previous day's Low, then profit-taking shall be done).

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)	140.30	139.40	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	5.47%	5.28%	Cons. Confidence*	123.00	119.90

PRICE OF BENCHMARK SERIES

FR0090 : 95.19 (6.48%)
FR0091 : 96.66 (6.87%)
FR0093 : 97.00 (6.70%)
FR0092 : 100.04 (7.12%)

FR0086 : 97.21 (6.51%)
FR0087 : 98.06 (6.82%)
FR0083 : 103.36 (7.16%)
FR0088 : 96.75 (6.62%)

CDS of Indonesia Bonds

CDS 2yr: +4.40% to 37.13
CDS 5yr: -2.29% to 88.14
CDS 10yr: +3.51% to 158.79

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.98%	0.05%
USDIDR	15,350	0.36%
KRWIDR	11.82	0.23%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,856.46	(574.98)	-1.72%
S&P 500	3,986.37	(62.05)	-1.53%
FTSE 100	7,919.48	(10.31)	-0.13%
DAX	15,559.53	(94.05)	-0.60%
Nikkei	28,309.16	71.38	0.25%
Hang Seng	20,534.48	(68.71)	-0.33%
Shanghai	3,285.10	(36.93)	-1.11%
Kospi	2,463.35	0.73	0.03%
EIDO	22.11	(0.31)	-1.38%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,813.5	(33.4)	-1.81%
Crude Oil (\$/bbl)	77.58	(2.88)	-3.58%
Coal (\$/ton)	179.25	(2.50)	-1.38%
Nickel LME (\$/MT)	24,145	(285.0)	-1.17%
Tin LME (\$/MT)	24,177	(378.0)	-1.54%
CPO (MYR/Ton)	4,205	(78.0)	-1.82%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 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%
Tuesday 7 - Mar.	CH	—	Exports YTD YoY	Feb	-6.8%	-9.3%	16.1%
	CH	—	Imports YTD YoY	Feb	-10.2%	-5.3%	—
	CH	—	Trade Balance YTD	Feb	\$116.88B	\$80.85B	\$109.54B
	CH	—	Foreign Reserves	Feb	\$3,133.1B	\$3,160.0B	\$3,184.4B
	ID	10:00	Foreign Reserves	Feb	\$140.30B	—	\$139.40B
	KR	06:00	GDP YoY	4Q P	1.3%	1.4%	1.4%
Wednesday 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%
Thursday 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%
Friday 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



Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Analyst

Cindy Alicia Ramadhania

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Analyst

Leonardo Lijuwardi

Banking, Infrastructure

T +62 21 5088 ext 9127

E leonardol.lijuwardi@nhsec.co.id

Research Support

Amalia Huda Nurfalah

Editor & Translator

T +62 21 5088 ext 9132

E amalia.huda@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta