

Morning Brief

Daily | Mar. 09, 2023

Today's Outlook:

US stocks closed mixed around the flat territory as market participants grappled with Federal Reserve Chairman Jerome Powell's second comments from Capitol Hill, as well as a slew of economic data ahead of next week's Labor & Inflation data; a bellwether for future interest and rate decisions. Powell reaffirmed his message from Tuesday, of the need to impose higher and potentially faster interest rate hikes, given the economic data released before this month's FOMC Meeting. The Fed Funds Future recently started to factor in an 80% chance for the Fed to raise its rates by 50 bps. The US JOLTS Job Opening reported 10.842 million job openings in Jan., higher than the forecast of 10.5 million, although lower than the previous period of 11.234 million. Meanwhile, ADP Nonfarm Employment Change recorded an increase in private sector workers, rising by 242K during February (higher than the forecast: 200K & previous: 119K). This data could indicate employment data in the government sector (US Nonfarm Payroll) on Friday. From Europe, the Eurozone reported their 4Q22 GDP grew only 1.8% (lower than forecast & previous quarter).

The two-year US Treasury yields moved close to a 16-year high, while the 10-year benchmark bond price fell 1/32 in price to yield 3.9795%, from 3.975%. Moreover, the 30-year bond rose 3/32 in price to yield 3.8822%, from 3.888% a day earlier. The greenback was wavered close to the flatline against a basket of world currencies after touching a three-month high after Powell's testimony. USD/IDR is at IDR 15,467/USD (source: RTI Business), which is a 2-month high & still likely to advance towards its TARGET of 15,587/USD. Domestically, the Consumer Confidence Index (Feb.) was reported to have edged down to 122.4, from 123 a month earlier.

NH KSI RESEARCH predicts that the market will still move relatively volatile (or slow), welcoming the release of significant economic data today from the Asian continent (Japan GDP 4Q22 & China CPI Feb.) and the US (Initial Jobless Claims).

Corporate News

Focus on Refinancing, XL Axiata (EXCL) Plans to Issue Bonds Again in 2023 Telecommunications company PT XL Axiata Tbk (EXCL) plans to issue bonds this year. Director & Chief Finance Officer of XL Axiata Budi Pramantika said the corporate action was carried out to cover the maturing debt. As is known, the company has a debt of IDR 4.46 trillion due in 2023, IDR 1.01 trillion in 2024, and IDR 6.59 trillion in 2025. However, in December 2022, the debt due this year was repaid for IDR 2 trillion, which fund came from the rights issue. Thus, the remaining debt due in the third quarter of 2023 remains IDR 2.4 trillion. Later, the remaining debt will be repaid using a bond issuance scheme. (Bisnis)

Domestic Issue

If Credit Flows Profusely, Bankers are Preparing to Release Bonds in 2023 Non-third-party funding (DPK) by banks will be bustling in 2023. Since both regulators and bankers will project lending to rise 10% to 12% year on year (YoY) in 2023. Nevertheless, deposits are still the main source of funding. If liquidity gets tighter and credit demand is heavy, bankers have prepared funding from non-DPK. LPS sees the positive sentiment of banking profitability and capital performance throughout 2022 can be a driving factor for banks to increase access to the capital market. For example, PT Bank Negara Indonesia (Persero) Tbk will release debt securities this year. Bank BNI President Director Royke Tumilar stated that the funding would be done if credit expansion could be even higher. Maybank Indonesia President Director Taswin Zakaria said he had plans to issue debt securities. However, Taswin said this corporate action would consider the demand for credit. (Kontan)

Recommendation

US10YT consolidates yield in Sideways area: 3.924-4.09 but in general the Uptrend is still safe above MA10 & MA20. This waiting gesture of market participants may be seen throughout this week and next week, moving volatile as economic data releases & FOMC Meeting decisions later. ADVISE: set your Trailing Stop, let your profit run.

ID10YT continues the Uptrend yield towards TARGET 7,189-7,202. Although the RSI indicator has entered the Overbought region, the Uptrend is still strong so it is not urgent to take profit. ADVISE: set your Trailing Stop, let your profit run

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*	122.40	123.00

PRICE OF BENCHMARK SERIES

FR0090 : 94.96 (6.54%)
FR0091 : 96.23 (6.94%)
FR0093 : 96.20 (6.79%)
FR0092 : 100.03 (7.12%)

FR0086 : 97.10 (6.55%)
FR0087 : 97.83 (6.86%)
FR0083 : 103.31 (7.16%)
FR0088 : 93.60 (7.00%)

CDS of Indonesia Bonds

CDS 2yr: +5.39% to 39.13
CDS 5yr: +6.33% to 93.72
CDS 10yr: +4.09% to 165.29

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.05%	0.07%
USDIDR	15,435	0.55%
KRWIDR	11.68	-1.18%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,798.40	(58.06)	-0.18%
S&P 500	3,992.01	5.64	0.14%
FTSE 100	7,929.92	10.44	0.13%
DAX	15,631.87	72.34	0.46%
Nikkei	28,444.19	135.03	0.48%
Hang Seng	20,051.25	(483.23)	-2.35%
Shanghai	3,283.25	(1.85)	-0.06%
Kospi	2,431.91	(31.44)	-1.28%
EIDO	22.23	0.12	0.54%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,813.8	0.4	0.02%
Crude Oil (\$/bbl)	76.66	(0.92)	-1.19%
Coal (\$/ton)	179.50	0.25	0.14%
Nickel LME (\$/MT)	23,974	(171.0)	-0.71%
Tin LME (\$/MT)	23,742	(435.0)	-1.80%
CPO (MYR/Ton)	4,180	(25.0)	-0.59%

Date	Country	Hour	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	-\$68.3B	-\$69.0B	-\$67.4B
	ID	—	Consumer Confidence Index	Feb	122.4	—	123.0
	JP	06:50	BoP Current Account Balance	Jan	-¥1,976.6B	-¥742.9B	¥33.4B
	JP	06:50	Trade Balance BoP Basis	Jan	-¥3,181.8B	-¥2,918.0B	¥
	GE	14:00	Retail Sales MoM	Jan	-0.3%	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

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

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

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