

Morning Brief

Daily | Mar. 14, 2023

Today's Outlook:

Mixed sentiments in the stock markets emerged as investors weighed up a sharp drop in Treasury yields amid bets of a less aggressive Federal Reserve as the Silicon Valley Bank turmoil shook the US banking sector. As for SVB, the US central bank stepped to rescue by ensuring that depositors' funds were safe in order to maintain investor trust. Meanwhile, SVB UK operations were taken over by Hongkong & Shanghai Bank (HSBC), with a deal value of 1 GBP; thus depositors' funds at SVB UK are guaranteed safe and bank operates normally as usual. Market participants begin to bet that the Fed is likely to impose a 25 bps rate hike at the March FOMC Meeting; even Goldman Sachs estimates that the Fed isn't likely to hike at all in March, with a probability of 47% according to the Investing.com Fed Rate Monitor Tool. The Fed also launched a new funding program offering loans with a maximum tenor of 1 year.

Treasury yields plummeted, with the 2-year Treasury falling more than 60 basis points slipping below 4% to six-week lows. The dollar index, a measure of the greenback against six other currencies, sliding 0.6%. The euro rose 0.8%. Gold climbed, with spot prices last up over 2.4% to their highest since early February, as US futures gained 2.6% to settle at USD 1,916.50.

Corporate News

Maturing June 2023, Pefindo Rates Bumi Serpong Damai (BSDE) idAA- PT Pemeringkat Efek Indonesia (Pefindo) affirmed the "idAA-" rating for the 2016 sustainable bonds II Series B issued by PT Bumi Serpong Damai Tbk (BSDE) that worth IDR 25 billion, which will mature on June 16, 2023. BSDE plans to pay off the maturing debt instruments using internal cash. As of September 30, 2022, BSDE has cash and cash equivalents worth IDR 10.6 trillion. (Emiten News)

Domestic Issue

Government Auctions 7 Series of SUN Targeting IDR 20 Trillion The government will auction 7 series of government bonds (SUN) in rupiah currency, on Tuesday today (3/14/2023). The seven series are SPN03230614 (New Issuance), SPN12240229 (Reopening), FR0095 (Reopening), FR0096 (Reopening), FR0098 (Reopening), FR0097 (Reopening), and FR0089 (Reopening). The auction of the seven bonds aims to fulfill part of the financing target for the 2023 State Budget. The government set an indicative target of IDR 20 trillion and a maximum target of IDR 30 trillion in the SUN auction. The auction will open on Tuesday (14/3/2023) at 09.00 Western Indonesia Time and close on the same day at 11.00 Western Indonesia Time. The settlement date for the auction is two days later, Thursday (16/3/2023). The SUN sales will be carried out using an auction system organized by Bank Indonesia. (Bisnis)

Recommendation

US10YT plunged to the upper wedge Support and the Neckline of the previous Double Bottom pattern around 3.564% yield. It needs to find a solid base Support before attempting to bounce back towards the nearest Resistance/MA50 around 3.7%; or even still carries the risk of weakening to the next Support at the previous Low level of 3.368-3.321 even though the RSI is currently approaching Oversold territory. ADVISE: Hold, wait & See.

ID10YT Yield is testing MA10 / 6.96% Support although currently it appears that the Uptrend is still relatively under control. ADVISE: set your Trailing Stop; Average Up if it breaks the previous High level of 7.057%.

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 : 95.21 (6.48%)
FR0091 : 97.32 (6.77%)
FR0093 : 97.85 (6.61%)
FR0092 : 99.81 (7.14%)

FR0086 : 97.41 (6.44%)
FR0087 : 98.43 (6.76%)
FR0083 : 103.73 (7.12%)
FR0088 : 95.22 (6.80%)

CDS of Indonesia Bonds

CDS 2yr: +7.13% to 44.24
CDS 5yr: +2.55% to 102.78
CDS 10yr: +5.61% to 182.18

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.84%	-0.12%
USDIDR	15,365	-0.55%
KRWIDR	11.82	1.33%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,819.14	(90.50)	-0.28%
S&P 500	3,855.76	(5.83)	-0.15%
FTSE 100	7,548.63	(199.72)	-2.58%
DAX	14,959.47	(468.50)	-3.04%
Nikkei	27,832.96	(311.01)	-1.11%
Hang Seng	19,695.97	376.05	1.95%
Shanghai	3,268.70	38.62	1.20%
Kospi	2,410.60	16.01	0.67%
EIDO	22.14	0.03	0.14%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,913.7	45.4	2.43%
Crude Oil (\$/bbl)	74.80	(1.88)	-2.45%
Coal (\$/ton)	182.90	(2.35)	-1.27%
Nickel LME (\$/MT)	22,684	(585.0)	-2.51%
Tin LME (\$/MT)	22,912	(439.0)	-1.88%
CPO (MYR/Ton)	4,043	(50.0)	-1.22%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	—	Money Supply M2 YoY	Feb	—	12.5%	12.6%
13 - Mar.	CH	—	FDI YTD YoY	Feb	—	—	14.5%
Tuesday	US	19:30	CPI MoM	Feb		0.4%	0.5%
14 - Mar.	US	19:30	CPI YoY	Feb		6.0%	6.4%
	KR	04:00	Import Price Index YoY	Feb		—	1.7%
	KR	04:00	Export Price Index YoY	Feb		—	-1.3%
Wednesday	US	19:30	PPI Final Demand MoM	Feb		0.3%	0.7%
15 - Mar.	US	19:30	Retail Sales Advance MoM	Feb		0.2%	3.0%
	ID	—	Trade Balance	Feb		\$2,999Mn	\$3,870Mn
	ID	—	Exports YoY	Feb		4.50%	16.37%
	ID	—	Imports YoY	Feb		9.74%	1.27%
	CH	09:00	Industrial Production YTD YoY	Feb		2.6%	3.6%
	CH	09:00	Retail Sales YTD YoY	Feb		3.5%	-0.2%
Thursday	US	19:30	Initial Jobless Claims	Mar 11		—	211K
16 - Mar.	US	19:30	Continuing Claims	Mar 4		—	1,718K
	US	19:30	Housing Starts	Feb		1,310K	1,309K
	ID	14:20	Bank Indonesia 7D Reverse Repo	Mar 15		5.75%	5.75%
Friday	US	20:15	Industrial Production MoM	Feb		0.5%	0.0%
17 - Mar.	US	21:00	Leading Index	Feb		-0.2%	-0.3%
	US	21:00	U. of Mich. Sentiment	Mar P		67.0	67.0

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



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