

Morning Brief

Today's Outlook:

US stock indexes bounced concurrently, with the Nasdaq leading the gains of more than 2%, as investors' fears over the Silicon Valley Bank and Signature Bank were eased after US President Joe Biden and other global policymakers vowed the crisis would be contained. The banking and telecommunications services sectors led the S&P 500 to rebound from its biggest daily sell-off since June 2020. Positive sentiment was also driven by the US Inflation data (Feb.), which slipped to 0.4% MoM from 0.5% the previous month, reported by The Bureau of Labor Statistics. Even the annual CPI position managed to meet expectations at 6% YoY, from 6.4% in Jan. A slight concern came from the monthly Core Inflation figure, which still heated up slightly at 0.5% MoM, from 0.4% in Jan. Financial markets have now priced in a 74.5% likelihood that the US central bank will raise the interest rate by an additional 25 bps at next week's FOMC Meeting; there is even a slight probability or 25.5% to be precise that the Federal Reserve may not even raise interest rates at all as reported by CME FedWatch.

As for domestic data today, we are waiting for Indonesia's Trade Balance (Feb.), which is predicted to post another surplus, of USD 3.27 billion, smaller than January, at USD 3.87 billion. Several inflation-related economic data, namely French CPI (Feb.) and US PPI (Feb.), along with US Retail Sales (Feb.), will also be watched this afternoon and evening as the struggle to bring the US Inflation rate to a 2% level is far from over. China's Industrial Production (Feb.), which is predicted to rise to 2.6%, will be a catalyst for global economic growth.

Corporate News

Jasa Marga (JSMR) Plans to Refinance IDR 1.1T Bonds PT Jasa Marga (Persero) Tbk (JSMR) plans to refinance its bonds worth IDR 1.1 trillion, which will mature on September 8, 2023. JSMR is recorded to have debt in the form of Sustainable Bonds II PT Jasa Marga Year 2020 worth IDR 1.1 trillion which will mature on September 8, 2023. The debt has an interest rate of 7.90 percent per year. Corporate Communication and Community Development Group Head of Jasa Marga Lisy Octaviana said the company will pay the debt by applying for loan facilities from banks. In addition, the debt will also be paid using JSMR's internal cash. JSMR has earned fresh funds worth IDR 2 trillion from the bond issuance. PT Bank Mega Tbk (MEGA) acted as trustee in the bond issuance. The funds obtained from the bond issuance are said to be used for the company's working capital. However, it is not limited to the maintenance of toll roads and toll road supporting facilities. Bonds are also used to improve toll road facilities and toll road supporting facilities. The bond rating is idAA based on the rating from PT Pemeringkat Efek Indonesia (Pefindo) on December 1, 2022. (Bisnis)

Domestic Issue

SUN Auction Results on March 14, 2023: IDR 52.66 Trillion Bids Received The Directorate General of Financing and Risk Management of the Ministry of Finance conducted an auction of 7 series of Government Bonds (SUN) with a total incoming bid of IDR 52.66 trillion on Tuesday (14/3/2023). Today's auction of 7 SUN series are SPN03230614 (new issuance), SPN12240229 (reopening), FR0095 (reopening), FR0096 (reopening), FR0098 (reopening), FR0097 (reopening) and FR0089 (reopening). Director of Government Bonds at the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance Deni Ridwan explained that investor interest in the SUN auction this time increased, reflected in incoming bids of IDR 52.66 trillion, up from IDR 45.97 trillion in the previous auction. Meanwhile, incoming bids from foreign investors at today's SUN auction increased almost 2 times to IDR 13.03 trillion from IDR 6.79 trillion in the previous auction. The majority of incoming bids from foreign investors are in the 5 and 10 year SUN series, namely IDR 10.3 trillion or 79 percent of the total incoming bids of foreign investors and won IDR 6.56 trillion or 32.81 percent of the total won. Investor demand is still dominant in the 5 and 10 year SUN series, amounting to IDR 33.95 trillion. (Bisnis)

Recommendation

US10YT has rebounded on yield Support around 3.46-3.42 (when RSI almost entered Oversold territory), bringing the current position to face MA50 / 3.705 Resistance. If US10YT is able to break the level, then the yield has the opportunity to Uptrend Back towards MA10 & MA20 in the range: 3.815% - 3.880%. ADVISE: Average Up accordingly.

ID10YT managed to reach the yield support around 6.756 means there is a limited downside potential. If a technical rebound occurs, the yield is expected to return to the MA20 / 6.86 position or rise back above MA10 / 6.94 (up to the psychological level of 7.0%). ADVISE: Wait & See, very Speculative Buy now.

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 : 95.40 (6.42%)
FR0091 : 97.86 (6.69%)
FR0093 : 98.03 (6.59%)
FR0092 : 99.81 (7.14%)

FR0086 : 97.50 (6.40%)
FR0087 : 99.43 (6.59%)
FR0083 : 103.81 (7.11%)
FR0088 : 93.75 (6.98%)

CDS of Indonesia Bonds

CDS 2yr: +8.06% to 47.80
CDS 5yr: +5.80% to 108.74
CDS 10yr: -4.28% to 174.38

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.73%	-0.11%
USDIDR	15,385	0.13%
KRWIDR	11.74	-0.61%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,155.40	336.26	1.06%
S&P 500	3,919.29	63.53	1.65%
FTSE 100	7,637.11	88.48	1.17%
DAX	15,232.83	273.36	1.83%
Nikkei	27,222.04	(610.92)	-2.19%
Hang Seng	19,247.96	(448.01)	-2.27%
Shanghai	3,245.31	(23.38)	-0.72%
Kospi	2,348.97	(61.63)	-2.56%
EIDO	21.96	(0.18)	-0.81%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,904.0	(9.7)	-0.51%
Crude Oil (\$/bbl)	71.33	(3.47)	-4.64%
Coal (\$/ton)	180.00	(2.90)	-1.59%
Nickel LME (\$/MT)	23,040	(83.0)	-0.36%
Tin LME (\$/MT)	22,950	(260.0)	-1.12%
CPO (MYR/Ton)	3,982	(61.0)	-1.51%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 13 - Mar.	CH	—	Money Supply M2 YoY	Feb	—	12.5%	12.6%
	CH	—	FDI YTD YoY	Feb	—	—	14.5%
Tuesday 14 - Mar.	US	19:30	CPI MoM	Feb	0.4%	0.4%	0.5%
	US	19:30	CPI YoY	Feb	6.0%	6.0%	6.4%
	KR	04:00	Import Price Index YoY	Feb	-0.5%	—	1.7%
	KR	04:00	Export Price Index YoY	Feb	-2.7%	—	-1.3%
Wednesday 15 - Mar.	US	19:30	PPI Final Demand MoM	Feb	—	0.3%	0.7%
	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 16 - Mar.	US	19:30	Initial Jobless Claims	Mar 11	—	—	211K
	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 17 - Mar.	US	20:15	Industrial Production MoM	Feb	—	0.5%	0.0%
	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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