

Morning Brief

Daily | Mar. 27, 2023

Today's Outlook:

Global stock markets wavered on Friday (24/03/23) with fears of a widespread bank collapse as the risk of non-performing loans at Deutsche Bank began to unfold. However, despite the pressure on financial sector stocks, the Dow managed to close the week with a 0.41% gain and the S&P500 led the way with a 0.56% gain. With the shadow of a recession ahead due to the turmoil in the banking sector, encouraging higher demand for safe-haven assets; as the market began to expect the Federal Reserve will soon put the brakes on the pace of interest rate hikes. Markets also bet on the possibility of the Federal Reserve cutting its benchmark interest rate by 90 bps to 3.9% at the end of this year. The 2-year US Treasury yield (which monitors interest rate expectations), fell around 3.5 bps to 3.7709%. European markets closed lower at the end of the week as investors anticipated a central bank rate hike this week and the latest updates from the banking sector. ECB President Christine Lagarde said that the European banking sector is resilient with strong capitalization and liquidity, after the 2008 reforms. The ECB is also ready to inject liquidity into the financial system if needed.

The US Dollar index rose 0.49% against other major world currencies. The Japanese Yen, which considered as a safe-heaven currency, remain stable at around 130.705 after touching a 6-week high of 129.8/USD. Meanwhile, the Euro fell 0.6% to USD1.07620. The stouter Dollar dragged Gold prices down by 0.82% to USD 1977.2/ounce, although they are still moving uptrend on a weekly basis, as concerns of widespread banking sector turmoil and bets that the Fed will soon put the brakes on the pace of interest rate hikes. The IMF projects Indonesia's economy to grow 5% this year on the back of the government's success in reducing the budget deficit; amidst lingering challenges such as tightening global financial conditions or a slowdown in the world economy that could pressure the Rupiah. As for now, the Rupiah exchange rate strengthened significantly by 1.25% to the level of IDR 15,153 / USD on Friday trading (24/03/23).

Corporate News

Protelindo Bonds Worth Rp2.9 Trillion Officially Listed on IDX The Protelindo Sustainable Bonds III Phase II Year 2023 issued by PT Profesional Telekomunikasi Indonesia (Protelindo) has been officially listed on the Indonesia Stock Exchange (IDX). The value of these bonds reaches IDR 2.9 trillion. Based on information disclosure, Protelindo's Shelf Registration Bond III Phase II Year 2023 was officially listed on the IDX on Friday (24/3/2023). There are two series of bonds, namely Series A amounting to IDR 2.7 trillion with an interest rate of 6.35 percent and a term of 370 days, and Series B amounting to IDR 145 billion with an interest rate of 6.6 percent and a term of 3 years. The bonds have been rated by PT Fitch Ratings Indonesia with an AAA (idn) rating. The trustee for the issuance is PT Bank Permata Tbk (BNLI). (Bisnis)

Domestic Issue

Reaching IDR 25.43 T, Bond and Sukuk Emissions Continue to Strive in 2023 Bond and sukuk issuances continue to strive on the Indonesia Stock Exchange (IDX) throughout 2023. Based on IDX data, the total bond and sukuk emissions that have been recorded throughout 2023 are 20 emissions from 19 issuers with a total value of IDR 25.43 trillion. Thus, the total bond and sukuk emissions recorded on the IDX reached 520 emissions with an outstanding nominal value of IDR 450.38 trillion and USD 47.5 million, issued by 127 issuers. Government Securities (SBN) listed on the IDX are 188 series with a nominal value of IDR 5,468 trillion and USD 452.11 million. Moreover, there were 8 EBA issuances worth IDR 3.27 trillion. (Investor Id)

Recommendation

US10YT is still testing Support in the yield area of 3.368-3.321%, although RSI positive divergence is consistently accompanying. However, the new uptrend will begin if it is at least able to break the nearest Resistance / MA10 at the level of 3.458%, then following the more difficult Resistance because it comes from the previous High level and MA20 & MA50 around the yield of 3.663-3.668%. ADVISE: Speculative Buy; Average Up accordingly.

ID10YT dropped below MA10 & MA20 Support, making the yield level of 6.871-6.908% the closest Resistance at the moment. ADVISE: Average Up accordingly.

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) | 3.88 | 3.87 | Govt. Spending Yoy | -4.77% | -2.88% |
| Exports Yoy | 4.51% | 16.37% | FDI (USD bn) | 5.27 | 5.14 |
| Imports Yoy | -4.32% | 1.27% | Business Confidence | 104.82 | 105.33 |
| Inflation Yoy | 5.47% | 5.28% | Cons. Confidence* | 122.40 | 123.00 |

PRICE OF BENCHMARK SERIES

FR0090 : 95.77 (6.32%)
FR0091 : 97.85 (6.69%)
FR0093 : 97.87 (6.61%)
FR0092 : 101.16 (7.01%)

FR0086 : 97.46 (6.43%)
FR0087 : 99.46 (6.59%)
FR0083 : 104.34 (7.06%)
FR0088 : 93.25 (7.04%)

CDS of Indonesia Bonds

CDS 2yr: +5.18% to 54.93
CDS 5yr: +2.60% to 111.06
CDS 10yr: +4.14% to 169.18

Government Bond Yields & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 6.81% | -0.09% |
| USDIDR | 15,155 | -1.24% |
| KRWIDR | 11.72 | -2.39% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 32,237.53 | 132.28 | 0.41% |
| S&P 500 | 3,970.99 | 22.27 | 0.56% |
| FTSE 100 | 7,405.45 | (94.15) | -1.26% |
| DAX | 14,957.23 | (253.16) | -1.66% |
| Nikkei | 27,385.25 | (34.36) | -0.13% |
| Hang Seng | 19,915.68 | (133.96) | -0.67% |
| Shanghai | 3,265.65 | (21.00) | -0.64% |
| Kospi | 2,414.96 | (9.52) | -0.39% |
| EIDO | 22.89 | 0.31 | 1.37% |

Commodities

| Commodity | Last | Chg. | % |
|--------------------|---------|--------|--------|
| Gold (\$/troy oz.) | 1,978.2 | (15.2) | -0.76% |
| Crude Oil (\$/bbl) | 69.26 | (0.70) | -1.00% |
| Coal (\$/ton) | 175.35 | (1.30) | -0.74% |
| Nickel LME (\$/MT) | 23,468 | 951.0 | 4.22% |
| Tin LME (\$/MT) | 24,830 | 482.0 | 1.98% |
| CPO (MYR/Ton) | 3,512 | (57.0) | -1.60% |

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|-------------------------------|---------|--------------|---------------------------------|--------|--------|-----------|----------|
| Monday 27 - Mar. | CH | 08:30 | Industrial Profits YTD YoY | Feb | — | — | -4.0% |
| | KR | — | Retail Sales YoY | Feb | — | — | — |
| Tuesday 28 - Mar. | US | 21:00 | Conf. Board Consumer Confidence | Mar | 101.5 | 102.9 | 102.9 |
| | FR | 13:45 | Business Confidence | Mar | — | — | 103 |
| Wednesday 29 - Mar. | US | 21:00 | Pending Home Sales MoM | Feb | -2.3% | 8.1% | 8.1% |
| | KR | 04:00 | Consumer Confidence | Mar | — | — | 90.2 |
| Thursday 30 - Mar. | US | 19:30 | Initial Jobless Claims | Mar 25 | — | — | 191K |
| | US | 19:30 | GDP Annualized QoQ | 4Q T | 2.7% | 2.7% | 2.7% |
| | US | 19:30 | Continuing Claims | Mar 18 | — | — | 1,694K |
| Friday 31 - Mar. | US | 19:30 | Personal Income | Feb | 0.3% | 0.6% | 0.6% |
| | US | 19:30 | Personal Spending | Feb | 0.3% | 1.8% | 1.8% |
| | US | 21:00 | U. of Mich. Sentiment | Mar F | 63.4 | 63.4 | 63.4 |
| | CH | 08:30 | Manufacturing PMI | Mar | 52.0 | 52.6 | 52.6 |
| | KR | 06:00 | Industrial Production YoY | Feb | — | — | -12.7% |

Source: Bloomberg

United States 10 Years Treasury



Indonesia 10 Years Treasury



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