

Morning Brief

Daily | Mar. 29, 2023

Today's Outlook:

Wall Street's major indexes closed lower by an average of less than 0.5% on Tuesday (28/03/23), while Treasury yields and Gold prices advanced, as investors worried that the US Federal Reserve would keep interest rates higher for longer as fears of further banking sector failures faded. Energy stocks rallied on the back of rising global oil prices due to inventory problems. US economic data revealed higher-than-expected Consumer Confidence (Mar.) that came in at 104.2, which was previously expected at 101 (also higher than the previous period 103.4). The US import-export trade deficit, aka Goods Trade Balance (Feb.), expanded slightly (from forecast & previous) to USD 91.63 billion. Markets will closely monitor tomorrow's Initial Jobless Claims figure, which is expected to rise from 191k to 196k. The 10-year US Treasury benchmark yield crawled up with limited gains after the Treasury Department stated that there was solid demand for the 5-year bond auction, and investors were quite optimistic that the shock to the banking system could be controlled. The 10-year yield rose 2.8bps to 3.556% from 3.528% on Monday. Meanwhile, the 30-year tenor rose 0.7bps to 3.7667%; and the 2-year tenor gained 9.5bps at 4.0598%.

Meanwhile, the US dollar weakened against a basket of currencies for a second straight day as easing worries about the banking system revived investor appetites for riskier currencies. The Dollar Index weakened 0.341%, while the Euro rose 0.45% to USD1.0845/EUR; and the Japanese Yen strengthened 0.54% to 130.84 Yen/USD. The position of the Rupiah exchange rate was even more powerful at IDR 15088 / USD. On the other hand, the global Gold price rebounded 0.9% to USD 1973.49 / ounce after two previous pullback sessions on the back of a weaker USD, despite rising bond yields and fears of a recession due to a failed banking sector easing.

Domestically, positive sentiments was further strengthened by BI Governor Perry Warjiyo's comments at the ASEAN seminar in Nusa Dua - Bali, saying that he sees the five ASEAN countries' economic growth could reach 5.3% in 2022, which is one of the highest in the world. Indonesia itself is expected to reach 4.6%-4.7% and increase to 5.6% by 2024.

Corporate News

BFI Finance Will Issue Bonds with a Value of IDR 1.6 Trillion Finance company, PT BFI Finance Indonesia Tbk (BFIN) will issue BFI Finance Indonesia Sustainable Bonds V Phase IV Year 2023, with a target value reaches IDR 1.6 trillion. The bonds are part of the ongoing public offering of BFI Finance Indonesia Sustainable Bonds V, which targets a total of IDR 6 trillion in funds raised. The sustainable bonds will be issued in three series. The principal amount of Series A is worth IDR 590 billion, with a coupon offered of 6.1%, series B with a worth of IDR 385 billion, with a coupon of 7%, and series C has a principal amount of IDR 625 billion and a coupon offered of 7.15%. (Kontan)

Domestic Issue

Government Securities (SUN) Auction Proceeds IDR 29.33 Trillion The Directorate General of Financing and Risk Management of the Ministry of Finance (DJPPR Kemenkeu) conducted an auction for 7 series of Government Securities (SUN) with a total incoming bid of IDR 29.33 trillion on Tuesday yesterday, (28/3/2023). The auction results dropped significantly by IDR 23.33 trillion compared to the auction results the previous two weeks, namely IDR 52.66 trillion. In fact, the auction results also fell compared to the previous month's auction of IDR 45.97 trillion. As for yesterday's auction of 7 SUN series are including the SPN03230628 series (new issuance), SPN12240328 (new issuance), FR0095 (reopening), FR0096 (reopening), FR0098 (reopening), FR0097 (reopening) and FR0089 (reopening). (Bisnis)

Recommendation

US10YT maintains position above MA10 Support, as it successfully tested Support at 3.502% yield level. It is likely that the short-term bullish trend will return, especially when US10YT is able to pass MA20 & MA50 Resistance at the yield level of 3.664-3.674%. ADVISE: Average Up accordingly.

ID10YT is still trying to confirm the Support area around MA50 at a yield of 6,786-6,75%. The RSI positive divergence is seen; thus, further technical rebound opportunities can be anticipated. The next focus is to cross MA10 & MA20 Resistance in the range: yield 6.856-6.903%. 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 : 95.98 (6.27%)
FR0091 : 98.18 (6.64%)
FR0093 : 97.12 (6.69%)
FR0092 : 101.39 (6.99%)

FR0086 : 97.88 (6.27%)
FR0087 : 99.52 (6.58%)
FR0083 : 104.53 (7.04%)
FR0088 : 96.00 (6.71%)

CDS of Indonesia Bonds

CDS 2yr: -2.43% to 52.80
CDS 5yr: -1.68% to 109.88
CDS 10yr: -2.07% to 163.66

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.80%	0.02%
USDIDR	15,087	-0.48%
KRWIDR	11.61	-0.33%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,394.25	(37.83)	-0.12%
S&P 500	3,971.27	(6.26)	-0.16%
FTSE 100	7,484.25	12.48	0.17%
DAX	15,142.02	14.34	0.09%
Nikkei	27,518.25	41.38	0.15%
Hang Seng	19,784.65	216.96	1.11%
Shanghai	3,245.38	(6.02)	-0.19%
Kospi	2,434.94	25.72	1.07%
EIDO	23.20	0.24	1.05%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,973.5	16.9	0.86%
Crude Oil (\$/bbl)	73.20	0.39	0.54%
Coal (\$/ton)	176.50	0.25	0.14%
Nickel LME (\$/MT)	24,074	231.0	0.97%
Tin LME (\$/MT)	25,770	349.0	1.37%
CPO (MYR/Ton)	3,687	111.0	3.10%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 27 - Mar.	CH	08:30	Industrial Profits YTD YoY	Feb	-22.9%	—	—
	KR	—	Retail Sales YoY	Feb	—	—	—
Tuesday 28 - Mar.	US	21:00	Conf. Board Consumer Confidence	Mar	104.2	101.5	102.9
	FR	13:45	Business Confidence	Mar	103	—	103
Wednesday 29 - Mar.	US	21:00	Pending Home Sales MoM	Feb	—	-2.3%	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%
	US	19:30	Continuing Claims	Mar 18	—	—	1,694K
Friday 31 - Mar.	US	19:30	Personal Income	Feb	—	0.3%	0.6%
	US	19:30	Personal Spending	Feb	—	0.3%	1.8%
	US	21:00	U. of Mich. Sentiment	Mar F	—	63.4	63.4
	CH	08:30	Manufacturing PMI	Mar	—	52.0	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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