

Morning Brief

Daily | Mar. 31, 2023

Today's Outlook:

US stock indexes closed higher on Thursday (30/03/23) as the rise in Treasury bond yields subsided after the release of Initial Jobless Claims data came in higher than expected at 198,000 (also higher than 191,000 in the previous week). Looking at this reading, economists expect higher claims to return in the second quarter of this year; thus, reigniting optimism that inflationary pressures are easing and could be a reason for the Federal Reserve to end the upward trend in benchmark interest rates soon. Additionally, President Joe Biden called on regulators to step up oversight on banks, urging them to reinstate rules that were rolled back by the Trump administration, following the collapse of Silicon Valley Bank and Signature Bank.

The benchmark of the 10-year US Treasury yield edged down by 1.7bps to 3.549% from 3.566% on Wednesday. While the 30-year tenor fell 3.8bps to 3.74% from 3.778%; however, the 2-year tenor rose 3.1bps to 4.113% yield. As for the US Dollar, it slipped to a week low over the Euro, as German Inflation (Mar.) successfully eased to 7.4% YoY from 8.7% the previous month, although concerns on monthly inflation growth remained unmoved at 0.8% MoM, the same as the Feb figure. On the other hand, dollar consolidation & bond yields successfully lifted Gold prices 0.9% to 1981.62/ounce.

Today a slew of macroeconomic data from the East and West will be awaited, including: Tokyo Inflation (Mar.), Chinese Composite PMI (Mar.), UK 4Q22 GDP, German Retail Sales (Feb.) & Unemployment Change (Mar.), Eurozone CPI (Mar.); and to cap it off tonight from 19.30 local time, the US Personal Consumption Expenditure (PCE) Price Index data is announced; which is a specific inflation indicator for the public consumption sector (excluding food and energy prices), followed by Personal Spending (Feb.) and Michigan Consumer Expectations & Sentiment (Mar.).

Corporate News

WOM Finance Open Opportunities to Issue More Bonds at the End of the Year After last week PT Wahana Ottomitra Multiartha Tbk (WOM Finance) issued bonds worth Rp 1 trillion, the company will still issue bonds this year. The funding is to realize WOM Finance's target to disburse IDR 5.4 trillion in loans this year. Therefore, there is a need for funds of around IDR 4 trillion. At the beginning of this year, WOM Finance's Finance Director Cincin Lisa saw that bond interest is cheaper. Therefore, became the reason why WOM Finance issued bonds last week. (Kontan)

Domestic Issue

Minister of Finance Observes Market Situation before Issuing Green Bonds in 2023 Minister of Finance Sri Mulyani will observe the market situation and its development first before issuing special bonds such as green or sustainable bonds in 2023. This is because Indonesia and the world are realizing that there is a very steep increase in inflation and interest rates. Thus, the financing strategy for Indonesia will continue to be very opportunistic and pragmatic. She said Indonesia issued its first sustainable bond in 2021 and got the cheapest price, especially in Europe at that time. In addition to the market situation, Sri Mulyani said the government would look at the country's cash flow before issuing green bonds. (Antara News)

Recommendation

US10YT is relatively Sideways, yet to budge from between the Support and Resistance yield ranges: 3.511% - 3.618%. The direction of the breakout will determine the next movement of US10YT. ADVISE: Average Up accordingly.

ID10YT will prove its ability to face MA10 Resistance/yield 6.868% as the nearest Resistance at the moment. Following MA20/6.898% yield up to the psychological level of 7.0% as the next obstacle that determines whether it can again smoothly continue this short-term uptrend; towards the TARGET which is actually still waiting around the 7.057% / 7.189-7.202% yield. 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 : 95.87 (6.30%)
FR0091 : 97.98 (6.68%)
FR0093 : 97.15 (6.69%)
FR0092 : 101.07 (7.02%)

FR0086 : 97.78 (6.31%)
FR0087 : 99.48 (6.58%)
FR0083 : 104.57 (7.04%)
FR0088 : 95.10 (6.82%)

CDS of Indonesia Bonds

CDS 2yr: -3.84% to 48.86
CDS 5yr: -4.87% to 99.03
CDS 10yr: -3.03% to 153.59

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.82%	-0.01%
USDIDR	15,047	-0.12%
KRWIDR	11.58	0.28%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,859.03	141.43	0.43%
S&P 500	4,050.83	23.02	0.57%
FTSE 100	7,620.43	56.16	0.74%
DAX	15,522.40	193.62	1.26%
Nikkei	27,782.93	(100.85)	-0.36%
Hang Seng	20,309.13	116.73	0.58%
Shanghai	3,261.25	21.19	0.65%
Kospi	2,453.16	9.24	0.38%
EIDO	23.51	(0.12)	-0.51%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,980.4	15.7	0.80%
Crude Oil (\$/bbl)	74.37	1.40	1.92%
Coal (\$/ton)	176.75	0.15	0.08%
Nickel LME (\$/MT)	23,199	(544.0)	-2.29%
Tin LME (\$/MT)	25,916	102.0	0.40%
CPO (MYR/Ton)	3,788	81.0	2.19%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:30	Industrial Profits YTD YoY	Feb	-22.9%	—	—
27 - Mar.	KR	—	Retail Sales YoY	Feb	—	—	—
Tuesday	US	21:00	Conf. Board Consumer Confidence	Mar	104.2	101.5	102.9
28 - Mar.	FR	13:45	Business Confidence	Mar	103	—	103
Wednesday	US	21:00	Pending Home Sales MoM	Feb	0.8%	-2.3%	8.1%
29 - Mar.	KR	04:00	Consumer Confidence	Mar	92.0	—	90.2
Thursday	US	19:30	Initial Jobless Claims	Mar 25	198k	—	191K
30 - Mar.	US	19:30	GDP Annualized QoQ	4Q T	2.6%	2.7%	2.7%
	US	19:30	Continuing Claims	Mar 18	1,689K	—	1,694K
Friday	US	19:30	Personal Income	Feb		0.3%	0.6%
31 - Mar.	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



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

JAKARTA (HEADQUARTER):

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 5088 9102

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15311

Indonesia

Telp : +62 21 509 20230

Branch Office Medan :

Jl. Asia No. 548 S

Medan – Sumatera Utara 20214

Indonesia

Telp : +62 614 156500

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 860 22122

Branch Office Bandengan (Jakarta Utara):

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Branch Office Kamal Muara (Jakarta Utara):

Rukan Exclusive Mediterania

Blok F No.2

Jakarta Utara 14470

Indonesia

Telp : +62 24 844 6878

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 1330

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 360 4650

Branch Office Denpasar:

Jl. Cok Agung Tresna

Ruko Griya Alamanda No. 9

Renon Denpasar, Bali 80226

Indonesia

Telp : +62 361 209 4230

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta