

Morning Brief

Daily | Apr. 17, 2023

Today's Outlook:

The Dow Jones and others closed lower on Friday (14/04/23) as a barrage of mixed economic data appeared to affirm another Federal Reserve interest rate hike, dampening investor enthusiasm after a series of big US bank earnings launched first-quarter reporting season and were able to make the S&P 500 banking sector soared by 3.5%. US Retail Sales data came in disappointingly down at 01% (vs expectations of -0.4%), but Industrial Production (Mar.) came in higher than expected at 0.53% YoY (vs forecasts of -0.9%); plus Michigan Consumer Expectations & Sentiment (Apr.) also appeared to be more expansionary. These data show that the US economy is still quite buoyant, giving the Fed a reason to continue their upward trend in interest rates, even into June. Financial markets have priced in a 74% likelihood of that happening, according to CME's FedWatch tool; causing 2-year US Treasuries to rally.

Two days before the Idul Fitri holiday for Indonesian investors, however, car sales data appeared to drop at 2.6% YoY compared to 7.4% in the previous period. As for today, the Trade Balance (Mar.) data is expected to come out at around USD 3.99 billion (indeed expected to be lower than the previous month at USD 5.48 billion). NHKSI RESEARCH expects JCI to still move slowly ahead of the long holiday, thus suggesting not to do positioning too aggressively; the strengthening position of Rupiah is prone to pullback, and the position of US stock index which is in the Resistance area also has the potential for trend reversal.

Corporate News

Issuing IDR 1.6 Trillion Bonds, BFI Finance (BFIN) Offers a Maximum Interest Rate of 7.15 Percent
PT BFI Finance Indonesia Tbk (BFIN) issued BFI Finance Indonesia Sustainable Bonds V Phase IV in 2023 on Friday (14/4). Meanwhile, the bonds will be listed on the Indonesia Stock Exchange (IDX) today (17/4). These sustainable bonds are listed with a nominal value of IDR 1.6 trillion, consisting of three series, among others: Sustainable Bonds V BFI Finance Indonesia Phase IV 2023 Series A with a nominal value of IDR 590 billion with a fixed interest rate of 6.10% per annum, Sustainable Bonds V BFI Finance Indonesia Phase IV 2023 Series B with a nominal value of IDR 385 billion with a fixed interest rate of 7.00% per annum and Sustainable Bonds V BFI Finance Indonesia Phase IV 2023 Series B with a nominal value of IDR 625 billion with a fixed interest rate of 7.15% per annum and a period of 3 years. (Emiten News)

Domestic Issue

28 Issuers Ready to Issue Debt Securities A total of 28 listed companies will issue debt securities in the form of bonds and sukuk in the capital market. IDX Director of Corporate Valuation, I Gede Nyoman Yetna said that there are 33 emissions from 28 issuers of debt securities or sukuk (EBUS) in the pipeline. Six issuers represent the industrial sector, four from the infrastructure sector, three from the energy sector, and one from transportation-logistics. There is one company whose sector has not yet been determined. Throughout 2023, at least 25 EBUS issuers have been listed, with 27 emissions. Through this corporate action, the IDX recorded the collection of funds reaching IDR 31 trillion. (Okezone)

Recommendation

US10YT appears to have settled comfortably above MA10 & MA20, making the next TARGET yield : MA50 at around 3.654%; before freeing its way towards 3.8% yield. ADVISE: Average Up accordingly.

ID10YT seems to be breaking above the upper wedge Resistance of the Falling Wedge pattern, which has been confining ID10YT yield at Resistance 6,692. Attempts towards the next Resistance, namely MA20 & MA50, is in the range of 6.771% - 6.8% yield will be the focus of the next few days. 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)	145.20	140.30	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	4.97%	5.47%	Cons. Confidence*	123.30	122.40

PRICE OF BENCHMARK SERIES

FR0090 : 96.32 (6.18%)
FR0091 : 98.55 (6.59%)
FR0093 : 98.92 (6.49%)
FR0092 : 102.07 (6.93%)

FR0086 : 97.98 (6.25%)
FR0087 : 99.67 (6.55%)
FR0083 : 105.00 (6.99%)
FR0088 : 94.25 (6.92%)

CDS of Indonesia Bonds

CDS 2yr: +1.65% to 32.72

CDS 5yr: +0.36% to 88.67

CDS 10yr: +1.07% to 151.50

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.65%	0.03%
USDIDR	14,700	-0.35%
KRWIDR	11.32	0.60%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,886.47	(143.22)	-0.42%
S&P 500	4,137.64	(8.58)	-0.21%
FTSE 100	7,871.91	28.53	0.36%
DAX	15,807.50	78.04	0.50%
Nikkei	28,493.47	336.50	1.20%
Hang Seng	20,438.81	94.33	0.46%
Shanghai	3,338.15	19.79	0.60%
Kospi	2,571.49	9.83	0.38%
EIDO	24.19	(0.05)	-0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,004.2	(36.1)	-1.77%
Crude Oil (\$/bbl)	82.52	0.36	0.44%
Coal (\$/ton)	188.00	(2.75)	-1.44%
Nickel LME (\$/MT)	24,132	434.0	1.83%
Tin LME (\$/MT)	24,853	411.0	1.68%
CPO (MYR/Ton)	3,702	(11.0)	-0.30%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	—	Trade Balance	Mar		\$4,573M	\$5,480M
17– Apr.	ID	—	Exports YoY	Mar		-6.40%	4.51%
	ID	—	Imports YoY	Mar		-13.50%	-4.32%
Tuesday	US	19:30	Housing Starts	Mar		1,455K	1,524K
18– Apr.	CH	09:00	GDP YoY	1Q		3.8%	2.9%
Wednesday	JP	11:30	Capacity Utilization MoM	Feb		—	-5.5%
19– Apr.	JP	11:30	Industrial Production MoM	Feb F		—	-0.6%
Thursday	US	19:30	Initial Jobless Claims	Apr 15		—	239K
20– Apr.	US	19:30	Continuing Claims	Apr 8		—	1,810K
	US	21:00	Existing Home Sales	Mar		4.50M	4.58M
	US	21:00	Leading Index	Mar		-0.4%	-0.3%
Friday	US	20:45	S&P Global US Manufacturing PMI	Apr P		49.2	49.2
21– Apr.	GE	14:30	S&P Global Germany Composite PMI	Apr P		52.9	52.6

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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