

Morning Brief

Daily | May. 19, 2023

Today's Outlook:

The US market rose for the second consecutive day amid optimism that negotiations over raising the nation's debt ceiling can be resolved in the next few days. In economic data release, Initial Jobless Claims fell to 242,000 (lower than expectations and the previous week), a sign of a tight labor market. Existing Home Sales (Apr.) fell to 3.4%, lower than forecast and the last period. About two-thirds of traders expect the Federal Reserve to pause its interest rate hikes at next month's FOMC Meeting while officials assess how well their actions to date have done to cool inflation. Not all officials agree on a pause interest rate hike; given that the economy showed an easing inflation rate, this doesn't justify a pause since the labor market remains tight. Furthermore, Fed Chairman Jerome Powell's statement scheduled for later evening will undoubtedly become the market's attention.

From Asia, Japan confirmed its 1Q23 GDP at 1.6% YoY, higher than the 0.7% forecast, and managed to reverse the situation from negative 0.1% in the previous quarter. Industrial Production (Mar.) also rose on a monthly basis to 1.1%. They also managed to post a Trade Balance (Apr.) of JPY -432.4 billion, a smaller deficit than expected or the previous month. Earlier today, Japan also released their National CPI & Core CPI (Apr.), which came in at 3.5% & 3.4% YoY respectively. While from Europe, German PPI (Apr.) figures will be awaited today, after the Eurozone previously reported CPI (Apr.) remains in line at 7% YoY.

Riding on the positive sentiment in the US markets, the Dollar rose to a 7-week high with the Dollar Index at 103.63, up 0.7% from the previous day's 103.56. The 10-year US Treasury climbed another 0.03%, sending the yield to 3.657%.

Corporate News

IDR 207 M Cash, Pefindo Affirms Bussan Auto Finance's Maturity Bond Rating at idAA PEFINDO reaffirmed the idAAA rating for PT Bussan Auto Finance's Sustainable Bonds II Phase I Year 2022 Series A worth IDR 88.5 billion which will mature on July 15, 2023. BAFI's readiness to pay off the maturing bonds is supported by its cash which equals to IDR 207.8 billion and unused loan facilities of around IDR 10.9 trillion as of March 31, 2023. (Emiten News)

Domestic Issue

RI Receives IDR 15 Trillion from Government Bond Auction The Ministry of Finance recorded a total bid of IDR 65.45 trillion in the auction of Government Bonds (SUN) on Tuesday (16/5), higher than the previous auction of IDR 44.99 trillion. However, the government ended up deciding to win IDR 15 trillion in demand. In this auction, the majority of investor demand was for the 10-year SUN series, namely the FR0096 series. The total bid reached IDR 23.52 trillion or 35.9% of the total incoming bids. (Bareksa)

Recommendation

US10YT broke the Resistance of its Bottoming pattern and has the opportunity to continue towards the TARGET yield around the 3.866% level. ADVISE: Average Up accordingly.

ID10YT extended its decline after being unable to hold on to the previous Low support, bringing the 6.402% level as the closest Resistance at the moment. ID10YT must at least be able to break above MA10 Resistance / 6.432% in order to stop this yield downtrend; followed by MA20, which is now at 6.508%. ADVISE: Hold, Wait & See.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.75%	5.75%	Real GDP	5.03%	5.01%
FX Reserve (USD bn)	144.20	145.20	Current Acc (USD bn)	4.54	4.02
Trd Balance (USD bn)	3.94	2.91	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-29.40%	-11.33%	FDI (USD bn)	5.27	5.14
Imports Yoy	-22.32%	-6.26%	Business Confidence	104.82	105.33
Inflation Yoy	4.33%	4.97%	Cons. Confidence*	126.10	123.30

PRICE OF BENCHMARK SERIES

FR0090 : 97.18 (5.94%)
FR0091 : 99.98 (6.38%)
FR0093 : 101.35 (6.23%)
FR0092 : 104.78 (6.69%)

FR0086 : 99.05 (5.86%)
FR0087 : 100.83 (6.36%)
FR0083 : 107.24 (6.77%)
FR0088 : 97.96 (6.48%)

CDS of Indonesia Bonds

CDS 2yr: -2.02% to 41.02
CDS 5yr: -2.50% to 93.69
CDS 10yr: -1.59% to 156.58

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.39%	-0.04%
USDIDR	14,865	0.30%
KRWIDR	11.13	0.58%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,535.91	115.14	0.34%
S&P 500	4,198.05	39.28	0.94%
FTSE 100	7,742.30	19.07	0.25%
DAX	16,163.36	212.06	1.33%
Nikkei	30,573.93	480.34	1.60%
Hang Seng	19,727.25	166.68	0.85%
Shanghai	3,297.32	13.09	0.40%
Kospi	2,515.40	20.74	0.83%
EIDO	23.45	(0.07)	-0.30%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,957.6	(24.3)	-1.23%
Crude Oil (\$/bbl)	71.86	(0.97)	-1.33%
Coal (\$/ton)	159.35	(5.90)	-3.57%
Nickel LME (\$/MT)	20,934	(400.0)	-1.87%
Tin LME (\$/MT)	25,014	212.0	0.85%
CPO (MYR/Ton)	3,392	(42.0)	-1.22%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 15– Mei.	US	19:30	Empire Manufacturing	Apr	-31.8	-4.0	10.8
	ID	11:00	Trade Balance	Apr	\$3,940M	\$3,695M	\$2,910M
	ID	11:00	Export YoY	Apr	-29.40%	-21.25%	-11.33%
	ID	11:00	Import YoY	Apr	-22.32%	-7.30%	-6.26%
Tuesday 16– Mei.	US	19:30	Retail Sales Advance MoM	Apr	0.4%	0.7%	-1.0%
	US	20:15	Industrial Production MoM	Apr	0.5%	0.0%	0.4%
	CH	09:00	Industrial Production YoY	Apr	5.6%	10.8%	3.9%
	CH	09:00	Retail Sales YoY	Apr	18.4%	22.0%	10.6%
Wednesday 17– Mei.	US	18:00	MBA Mortgage Applications	May 12	-5.7%	—	6.3%
	US	19:30	Housing Starts	Apr	1,401K	1,396K	1,420K
Thursday 18– Mei.	US	19:30	Initial Jobless Claims	May 13	242K	—	264K
	US	21:00	Existing Home Sales	Apr	4.28M	4.28M	4.44M
	US	21:00	Leading Index	Apr	-0.6%	-0.5%	-1.2%
Friday 19– Mei.	GE	13:00	PPI MoM	Apr	—	—	13.4%
	GE	13:00	PPI YoY	Apr	—	—	0.0%

Source: Bloomberg, NHKSI Research

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

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