

Morning Brief

Daily | May. 8, 2023

Today's Outlook:

The US financial market was finally able to rebound quite significantly between 1.7%-2.3%, buoyed by the rally in technology stocks led by Apple as well as the release of Nonfarm Payrolls (Apr.) employment data last Friday which came in at 253k, much higher than the forecast of 180k and the previous period's 165k; thereby eliminating concerns of a global recession threat. The US Unemployment Rate (Apr.) also unexpectedly fell to 3.4% from 3.5% previously. US weekly wage increases were detected to rise 4.4% YoY and 0.5%, both percentages were reported higher than expectations. The global economy also seems to be getting more robust, as seen in the UK Construction PMI (Apr.) data, which is increasingly steady in the expansion area of 51.1; not to forget the data from the domestic, the excellent performance of Indonesia's economic growth in the first 3 months of this year was able to book Gross Domestic Product growth at 5.03% (proved to be healthier than forecast & previous period).

Corporate News

To Be Repaid, PTPP IDR 460 Billion Maturity Bonds Receive idA Rating Pemeringkat Efek Indonesia (PEFINDO) affirmed the idA rating for the Sustainable Bonds II Phase I Series B of PT Pembangunan Perumahan (Persero) Tbk (PTPP) worth IDR 460 billion which will mature on July 6, 2023. PTPP will fully repay the maturing bonds from the proceeds of the Sustainable Bonds III Phase III and Sustainable Mudharabah Sukuk I Phase III issued in April 2023 totalling IDR 630.4 billion. (EmitenNews)

Domestic Issue

The Driving Factors that SUN Prices are Predicted to Strengthen Next Week The price of Government Securities (SUN) is predicted to strengthen in the next week, with a decrease in the 10-year yield between 6.4-6.3%. According to the Head of Fixed Income at PT Anugerah Sekuritas Indonesia Ramdhan Ario Maruto, the sentiment that drives the strengthening of SUN prices in Indonesia is high banking liquidity. The relatively thin movement of SUN prices in the short term is influenced by global uncertainty, especially the potential default of US debt. He added the increase in the Fed Fund Rate (FFR) slowed down the rate of decline in SBN yields in Indonesia. However, significant banking liquidity is again considered a rescuer that strengthens the market. This is because the funds are believed to flow into the SBN market. (Berita Satu)

Recommendation

US10YT seeks to test MA10 Resistance at 3.447% yield before freeing its way towards the next Resistance/Target at MA20/3.48% yield, followed by MA50/3.550%. ADVISE: Average Up accordingly.

ID10YT nampak candle Doji di area Support lower channel, ketika RSI telah masuk wilayah Oversold. Antisipasi technical rebound pada yield. ADVISE : Speculative Buy ; Average Up >6.444% . TARGET : 6.563% / 6.63%.

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)	2.91	5.48	Govt. Spending Yoy	-4.77%	-2.88%
Exports Yoy	-11.33%	4.51%	FDI (USD bn)	5.27	5.14
Imports Yoy	-6.26%	-4.32%	Business Confidence	104.82	105.33
Inflation Yoy	4.33%	4.97%	Cons. Confidence*	123.30	122.40

PRICE OF BENCHMARK SERIES

FR0090	: 96.63 (6.10%)
FR0091	: 99.44 (6.46%)
FR0093	: 97.75 (6.62%)
FR0092	: 102.10 (6.92%)
FR0086	: 98.24 (6.16%)
FR0087	: 100.31 (6.45%)
FR0083	: 106.01 (6.89%)
FR0088	: 96.00 (6.71%)

CDS of Indonesia Bonds

CDS 2yr:	-4.00% to 41.47
CDS 5yr:	-1.54% to 99.46
CDS 10yr:	-3.53% to 161.91

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.45%	0.01%
USDIDR	14,675	-0.03%
KRWIDR	11.13	0.22%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,674.38	546.64	1.65%
S&P 500	4,136.25	75.03	1.85%
FTSE 100	7,778.38	75.74	0.98%
DAX	15,961.02	226.78	1.44%
Nikkei	29,157.95	34.77	0.12%
Hang Seng	20,049.31	100.58	0.50%
Shanghai	3,334.50	(15.96)	-0.48%
Kospi	2,500.94	(0.46)	-0.02%
EIDO	24.29	0.13	0.54%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	2,016.8	(33.5)	-1.63%
Crude Oil (\$/bbl)	71.34	2.78	4.05%
Coal (\$/ton)	169.65	(1.00)	-0.59%
Nickel LME (\$/MT)	24,531	534.0	2.23%
Tin LME (\$/MT)	26,064	464.0	1.81%
CPO (MYR/Ton)	3,601	176.0	5.14%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday 8– Mei.	US	21:00	Wholesale Inventories MoM	Mar F		0.1%	0.1%
	ID	10:00	Foreign Reserves	Apr		—	\$145.20Bn
Tuesday 9– Mei.	CH	—	Trade Balance	Apr		\$69.00Bn	\$88.19Bn
	ID	—	Consumer Confidence Index	Apr		—	123.3
Wednesday 10– Mei.	US	19:30	CPI MoM	Apr		0.4%	0.1%
	US	19:30	CPI YoY	Apr		5.0%	5.0%
Thursday 11– Mei.	US	19:30	PPI Final Demand MoM	Apr		0.3%	-0.5%
	US	19:30	Initial Jobless Claims	May 6		—	242K
	CH	08:30	CPI YoY	Apr		0.3%	0.7%
	CH	08:30	PPI YoY	Apr		-3.2%	-2.5%
Friday 12– Mei.	US	21:00	U. of Mich. Sentiment	May P		63.0	63.5
	FR	13:45	CPI YoY	Apr F		—	5.9%

Source: Bloomberg, NHKSI Research

United States 10 Years Treasury



Indonesia 10 Years Treasury



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