

# Morning Brief

Daily | June. 12, 2023

## Today's Outlook:

Positive sentiment was evenly spread across regional markets, with US stocks registering year-to-date highs (mainly thanks to the help of Tech sector giants); fueled by bets the Federal Reserve will finally put the brakes on interest rate hikes. The MSCI world stock index recorded a 13-month high, gaining a weekly gain of 0.6%. As reported by Refinitiv, the S&P500 has now posted a 20% gain since its 12 October low, confirming this is a bull market. Market participants are now pricing in a 73% chance that the Fed will hold rates at 5-5.25% in its FOMC Meeting decision on June 15th in the morning; yet opening a 50% chance of a hike in July. These rumors over the future of US interest rates also drove up their sovereign bond yields. The 2-year US Treasury, which is the most sensitive to monetary policy expectations, rose to a yield of 4.602%; while the 10-year benchmark rallied to a yield of 3.743%.

The US Dollar index, which measures the strength of the US currency versus 6 other major world currencies, rebounded 0.21% to 103.47.

This morning, Japan has reported its producer-level inflation (May PPI) which turned out to fall below expectations. Indonesia will monitor the Consumer Confidence (May) data, versus April's reading of 126.1. Later tonight it will be interesting to watch US Consumer Inflation Expectations, versus the previous reading of 4.4%.

## Corporate News

**Ahead of Maturity, PTPP Prepares IDR 460 Billion for Bond Repayment** PT Pembangunan Perumahan Tbk (PTPP) emphasized that it has prepared funds for the repayment of bonds that will mature. PTPP Director of Finance and Risk Management Agus Purbianto said the funds that have been prepared have reached IDR 460 billion. The bonds that will mature on July 5, 2023 are PTPP Phase I 2018 Sustainable Bonds II Series B. (Emiten News)

## Domestic Issue

**Corporate Bond Coupons Recorded to Rise in 2023, Consider the Driving Factors** The increase in benchmark interest rates that continued in 2023 also raised the interest rate of corporate bonds. This is indicated by the increase in coupons paid by companies issuing bonds. PT Pemeringkat Efek Indonesia (Pefindo) noted that the increase in coupons for 3-year corporate bonds issued during January-April 2023 ranged from 60 bps to 80 bps. Meanwhile, the increase in bond coupons with a 1-year tenor can be above 100 bps. Pefindo Chief Economist Suhindarto said, the higher increase in the 1-year tenor occurred due to the high new supply. (Kontan)

## Recommendation

**US10YT** looks steady above MA10 & MA20 Support, making the yield range of 3.706-3.75% the closest Support at the moment. US10YT still has a chance to rise further towards TARGET yield: 3.843% / 3.97%. ADVISE: Average Up accordingly.

**ID10YT** is attempting to break the MA10 & MA20 resistance up to yield 6.409%. ADVISE : If this downtrend channel pattern is able to be broken, it opens up the potential to rise towards TARGET: 6.540% (MA50) or 6.65%. 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	5.03%	5.01%
FX Reserve (USD bn)	144.20	145.20	Current Acc (USD bn)	3.00	4.54
Trd Balance (USD bn)	3.94	2.91	Govt. Spending Yoy	3.99%	-4.77%
Exports Yoy	-29.40%	-11.33%	FDI (USD bn)	5.14	5.14
Imports Yoy	-22.32%	-6.26%	Business Confidence	104.82	105.33
Inflation Yoy	4.00%	4.33%	Cons. Confidence*	126.10	123.30

## PRICE OF BENCHMARK SERIES

FR0090 : 98.18 (5.66%)  
FR0091 : 100.15 (6.35%)  
FR0093 : 99.68 (6.41%)  
FR0092 : 104.52 (6.70%)

FR0086 : 99.77 (5.59%)  
FR0087 : 100.76 (6.37%)  
FR0083 : 108.24 (6.68%)  
FR0088 : 98.85 (6.38%)

## CDS of Indonesia Bonds

CDS 2yr: -1.47% to 34.74

CDS 5yr: -1.52% to 84.29

CDS 10yr: -1.14% to 145.26

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.34%	-0.02%
USDIDR	14,840	-0.37%
KRWIDR	11.49	0.59%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,876.78	43.17	0.13%
S&P 500	4,298.86	4.93	0.11%
FTSE 100	7,562.36	(37.38)	-0.49%
DAX	15,949.84	(40.12)	-0.25%
Nikkei	32,265.17	623.90	1.97%
Hang Seng	19,389.95	90.77	0.47%
Shanghai	3,231.41	17.82	0.56%
Kospi	2,641.16	30.31	1.16%
EIDO	23.46	0.01	0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,961.2	(4.3)	-0.22%
Crude Oil (\$/bbl)	70.17	(1.12)	-1.57%
Coal (\$/ton)	135.70	(0.55)	-0.40%
Nickel LME (\$/MT)	21,170	38.0	0.18%
Tin LME (\$/MT)	26,502	685.0	2.65%
CPO (MYR/Ton)	3,367	103.0	3.16%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Monday</b>	ID	—	Consumer Confidence Index	May	—	—	126.1
12 – June	GE	—	Wholesale Price Index YoY	May	—	—	-0.5%
<b>Tuesday</b>	US	19:30	CPI YoY	May	4.1%	4.1%	4.9%
13 – June	GE	13:00	CPI YoY	May F	6.1%	6.1%	6.1%
<b>Wednesday</b>	US	18:00	MBA Mortgage Applications	Jun 9	—	—	-1.4%
14 – June	US	19:30	PPI Final Demand MoM	May	-0.1%	-0.1%	0.2%
<b>Thursday</b>	US	01:00	FOMC Rate Decision (Upper Bound)	Jun 14	5.25%	5.25%	5.25%
15 – June	US	01:00	FOMC Rate Decision (Lower Bound)	Jun 14	5.00%	5.00%	5.00%
	US	19:30	Retail Sales Advance MoM	May	0.0%	0.0%	0.4%
	US	19:30	Initial Jobless Claims	Jun 10	—	—	261K
	US	19:30	Empire Manufacturing	Jun	-15.6	-15.6	-31.8
	US	20:15	Industrial Production MoM	May	0.1%	0.1%	0.5%
	CH	09:00	Industrial Production YoY	May	3.5%	3.5%	5.6%
	CH	09:00	Retail Sales YoY	May	13.9%	13.9%	18.4%
	ID	11:00	Trade Balance	May	\$2,573 Mn	\$2,573 Mn	\$3,940 Mn
	ID	11:00	Exports YoY	May	-12.0%	-12.0%	-29.4%
	ID	11:00	Import YoY	May	-12.1%	-12.1%	-22.3%
<b>Friday</b>	US	21:00	U. of Mich. Sentiment	Jun P	60.0	60.0	59.2
16 – June	JP	—	BoJ Policy Balance Rate	Jun 16	—	—	-0.1%

Source: Bloomberg, NHKSI Research

## United States 10 Years Treasury



## Indonesia 10 Years Treasury



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