

Morning Brief

Daily | June. 13, 2023

Today's Outlook:

Most market participants' thoughts lately are hoping to see US Inflation figures (May) ease again despite Core Inflation likely remain unchanged. Traders see a 76% chance of the central bank holding rates at the 5%-5.25% range, pricing in a 71% chance of a rate hike in July, according to the CME Group Fedwatch tool. The bullish market in recent weeks has been fueled by gains in megacap stocks, better-than-expected quarterly earnings and hopes that the Fed might be nearing the end of its monetary tightening cycle. The rally has recently widened to include the other sectors, Energy and Industrial, as economic data continues to show a resilient US economy despite higher interest rates, indicating a soft landing was achieved.

Indonesia announced its Consumer Confidence Index (May) figures yesterday, which moved back up to 128.3 from 126.1 in April; indicating a growing optimism towards the Indonesian economy. As evidenced by the Motorcycle Sales report in May, it jumped drastically by 113.4% compared to -19.4% in April. Later today, we will monitor the Retail Sales data which could be higher than 4.9% last period. Some important economic data from other parts of the world will also grab the attention of the financial world today such as: UK employment data, German Inflation (May), Eurozone & German ZEW Current Conditions & Economic Sentiment (June); and of course the eagerly awaited highlight at 19.30 WIB is the release of US Inflation figures (May) which is predicted to flatten to 4.1% yoy (vs previous 4.9%).

Corporate News

Maybank Indonesia (BNII) Paid Off Matured Bonds Worth IDR 819.25 Billion PT Bank Maybank Indonesia Tbk (BNII) has paid off the 2016 Sustainable Subordinated Bonds II Phase II worth IDR 819.25 billion. The repayment of principal and interest on subordinated bonds amounted to IDR 819.25 billion, consisting of principal of IDR 800 billion and interest on the 28th subordinated bond (gross) of IDR 19.25 billion. Furthermore, Muhamadian stated, the source of funding used for the repayment of principal and the last interest payment on Subordinated Bonds is from liquid assets and other cash flows. Muhamadian said, with the principal repayment of the Subordinated Bonds, since June 12, 2023 the Subordinated Bonds will no longer be listed and can no longer be traded through the IDX and or reported on trading through the facilities provided by the IDX. (Kontan)

Domestic Issue

Total Bond Issuance Reaches IDR 39.56 Trillion The Indonesia Stock Exchange (IDX) noted that the total bond and sukuk emissions that have been recorded throughout 2023 are 35 emissions from 31 issuers worth IDR 39.56 trillion. Therefore, the total bond and sukuk emissions recorded on the IDX to date amount to 519 emissions with an outstanding nominal value of IDR 443.69 trillion and USD 47.5 million, issued by 127 issuers. Then Government Securities (SBN) listed on the IDX amounted to 191 series with a nominal value of IDR 5,536.74 trillion and USD 486.11 million. Asset-Backed Securities (EBA) as many as 8 emissions worth IDR 3.02 trillion. The information was conveyed by the IDX in a press release in Jakarta, yesterday. (Neraca)

Recommendation

US10YT looks steady above MA10 & MA20 Support, making the yield range of 3.727-3.695% the closest Support at the moment. US10YT still has a chance to continue this short term Uptrend towards TARGET yield: 3.839% / 3.97%. ADVISE: Average Up accordingly.

ID10YT is trying to break the MA10 & MA20 Resistance upwards to yield 6.403%. ADVISE : If this downtrend channel pattern is able to be broken, then 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*	128.30	126.10

PRICE OF BENCHMARK SERIES

FR0090 : 98.20 (5.65%)
FR0091 : 100.52 (6.29%)
FR0093 : 99.80 (6.40%)
FR0092 : 104.64 (6.69%)

FR0086 : 99.81 (5.57%)
FR0087 : 100.94 (6.34%)
FR0083 : 108.24 (6.68%)
FR0088 : 98.82 (6.38%)

CDS of Indonesia Bonds

CDS 2yr: +1.64% to 35.32

CDS 5yr: -0.80% to 83.62

CDS 10yr: +1.19% to 146.99

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.32%	-0.02%
USDIDR	14,865	0.17%
KRWIDR	11.54	0.43%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,066.33	189.55	0.56%
S&P 500	4,338.93	40.07	0.93%
FTSE 100	7,570.69	8.33	0.11%
DAX	16,097.87	148.03	0.93%
Nikkei	32,434.00	168.83	0.52%
Hang Seng	19,404.31	14.36	0.07%
Shanghai	3,228.83	(2.57)	-0.08%
Kospi	2,629.35	(11.81)	-0.45%
EIDO	23.51	0.05	0.21%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,957.8	(3.4)	-0.17%
Crude Oil (\$/bbl)	67.12	(3.05)	-4.35%
Coal (\$/ton)	134.00	(1.70)	-1.25%
Nickel LME (\$/MT)	20,755	(415.0)	-1.96%
Tin LME (\$/MT)	25,901	(601.0)	-2.27%
CPO (MYR/Ton)	3,349	(18.0)	-0.53%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	ID	—	Consumer Confidence Index	May	128.3	—	126.1
<i>12 – June</i>	GE	—	Wholesale Price Index YoY	May	—	—	-0.5%
Tuesday	US	19:30	CPI YoY	May		4.1%	4.9%
<i>13 – June</i>	GE	13:00	CPI YoY	May F		6.1%	6.1%
Wednesday	US	18:00	MBA Mortgage Applications	Jun 9		—	-1.4%
<i>14 – June</i>	US	19:30	PPI Final Demand MoM	May		-0.1%	0.2%
Thursday	US	01:00	FOMC Rate Decision (Upper Bound)	Jun 14		5.25%	5.25%
<i>15 – June</i>	US	01:00	FOMC Rate Decision (Lower Bound)	Jun 14		5.00%	5.00%
	US	19:30	Retail Sales Advance MoM	May		0.0%	0.4%
	US	19:30	Initial Jobless Claims	Jun 10		—	261K
	US	19:30	Empire Manufacturing	Jun		-15.6	-31.8
	US	20:15	Industrial Production MoM	May		0.1%	0.5%
	CH	09:00	Industrial Production YoY	May		3.5%	5.6%
	CH	09:00	Retail Sales YoY	May		13.9%	18.4%
	ID	11:00	Trade Balance	May		\$2,573 Mn	\$3,940 Mn
	ID	11:00	Exports YoY	May		-12.0%	-29.4%
	ID	11:00	Import YoY	May		-12.1%	-22.3%
Friday	US	21:00	U. of Mich. Sentiment	Jun P		60.0	59.2
<i>16 – June</i>	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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