

Morning Brief

Daily | Aug. 9, 2022

Today's Outlook:

SUN Market Mixed Ahead of US Inflation Data. Benchmark SUN yield FR0093 is nearing the psychological 7% level, with FR0091 dropping 1.4Bps to 7.12%. Prices for the October 2022 Brent and WTI crude contracts, each down more than 9% a week, could indicate that inflation has peaked. The Bloomberg survey projects that the US Headline CPI in July will slope to 8.8% YoY (Vs. Jun. 9.1% YoY). Fears of a global economic recession pressured Brent and WTI oil prices to USD94.12/Barrel and USD87.56/Barrel, the lowest levels before the Russia-Ukraine conflict last February.

Corporate Bonds

SMRA: 1H22 Profit Grows Significantly. PT Summarecon Agung Tbk (SMRA) posted a net profit of IDR254.6 billion in 1H22 (vs 1H21: IDR108.5 billion). Revenue grew 10.98% to IDR2.7 trillion. Meanwhile, cost of goods sold and direct expenses slightly increased by 0.3% to IDR1.276 trillion. (Emiten News)

Domestic Issue

Consumer Confidence in the Indonesian Economy Declines. Bank Indonesia (BI) noted that the consumer confidence index (IKK) towards the Indonesian economy fell from 128.2 to 123.2 in July 2022. This is based on a BI consumer survey conducted last month. Despite the decline, consumer optimism about economic conditions was maintained, as the survey results are in the optimistic area or more than 100. It is recorded that the July 2022 Consumer Expectation Index (IEK) for the estimated economic conditions in the next 6 months is 135.5. The figure is still fairly strong, although lower than the previous month, at 141.8. (CNN Indonesia)

Recommendation

Investors eye on the pressure of Consumer Confidence. BI noted that Indonesia's Consumer Confidence Index in July fell to a level of 123.2 (Vs. Jun. 128.2), indicating that people are starting to reduce their consumption portion, as rising inflation makes consumers pay the same or even more costs for the same or even more products. a little.

PRICE OF BENCHMARK SERIES

FR0090 : -0.6 Bps to 94.90 (6.40%)
FR0091 : -1.4 Bps to 94.81 (7.12%)
FR0093 : +0.8 Bps to 94.34 (6.99%)
FR0092 : 0.0 Bps to 99.24 (7.19%)

FR0086 : +0.4 Bps to 97.53 (6.25%)
FR0087 : -4.7 Bps to 97.00 (6.97%)
FR0083 : +0.3 Bps to 101.43 (7.35%)
FR0088 : +0.6 Bps to 90.27 (7.38%)

CDS of Indonesia Bonds

CDS 2yr: -2.93% to 49.97
CDS 5yr: -1.08% to 97.25
CDS 10yr: -2.40% to 178.26

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.14%	-0.01%
USDIDR	14,878	-0.10%
KRWIDR	11.39	-0.74%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,832.54	29.07	0.09%
S&P 500	4,140.06	(5.13)	-0.12%
FTSE 100	7,482.37	42.63	0.57%
DAX	13,687.69	113.76	0.84%
Nikkei	28,249.24	73.37	0.26%
Hang Seng	20,045.77	(156.17)	-0.77%
Shanghai	3,236.93	9.91	0.31%
KOSPI	2,493.10	2.30	0.09%
EIDO	23.71	0.25	1.07%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,789.0	13.5	0.76%
Crude Oil (\$/bbl)	90.76	1.75	1.97%
Coal (\$/ton)	371.00	10.00	2.77%
Nickel LME (\$/MT)	21,685	(531.0)	-2.39%
Tin LME (\$/MT)	24,300	(155.0)	-0.63%
CPO (MYR/Ton)	4,071	193.0	4.98%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.01%	3.51%
FX Reserve (USD bn)	132.20	136.40	Current Acc (USD bn)	0.20	4.97
Trd Balance (USD bn)	5.09	2.90	Govt. Spending Yoy	-7.74%	5.25%
Exports Yoy	40.68%	27.00%	FDI (USD bn)	5.67	4.70
Imports Yoy	21.98%	30.74%	Business Confidence	104.82	105.33
Inflation Yoy	4.94%	4.35%	Cons. Confidence*	128.20	113.10

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Jul.	USD132.20Bn	--	USD136.40Bn
<i>5 - Aug.</i>	ID	11:00	GDP QoQ / YoY	2Q22	3.72%/5.44%	3.47% / 5.17%	-0.95% / 5.01%
	GE	13:00	Industrial Production MoM	Jun.	0.4%	-0.3%	-0.1%
Monday	ID	--	Consumer Confidence Index	Jul.		--	128.2
<i>8 - Aug.</i>	--	--	--	--	--	--	--
Tuesday	--	--	--	--	--	--	--
<i>9 - Aug.</i>	--	--	--	--	--	--	--
Wednesday	US	18:00	MBA Mortgage Applications	Aug. 5		--	1.2%
<i>10 - Aug.</i>	US	19:30	CPI MoM	Jul.		0.2%	1.3%
	US	19:30	CPI Ex. Food and Energy MoM	Jul.		0.5%	0.7%
	US	19:30	CPI YoY	Jul.		8.8%	9.1%
Thursday	US	19:30	PPI Ex. Food and Energy YoY	Jul.		--	8.2%
<i>11 - Aug.</i>	US	19:30	PPI Final Demand MoM	Jul.		0.3%	1.1%
	US	19:30	PPI Ex. Food and Energy MoM	Jul.		0.4%	0.4%
	US	19:30	PPI Final Demand YoY	Jul.		10.3%	11.3%
Friday	UK	13:00	GDP QoQ	2Q		-0.1%	0.8%
<i>12 - Aug.</i>	UK	13:00	GDP YoY	2Q		3.0%	8.7%
	US	19:30	Import Price Index MoM	Jul.		-0.9%	0.2%
	US	21:00	U. Of Mich. Sentiment	Aug. P		52.0	51.5

Source: Bloomberg

Research Division

Head of Research

Liza Camelia Suryanata

Equity Strategy, Technical

T +62 21 5088 ext 9134

E liza.camelia@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

Editor & Translator

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

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PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

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