

Morning Brief

Daily | Sept. 6, 2022

Today's Outlook:

Amid the Wall Street holiday commemorating Labor Day, **rising gas prices and continued contraction in manufacturing in the Eurozone** made the majority of European stock markets close lower. The Nord Stream 1 pipeline was running at 20% capacity before being discontinued last Friday, pushing up the price of the Dutch TTF Gas Options October 2022 contract to EUR245.9/Mwh, up 15.6% from Friday's close or more than 400% YoY. The rise in gas is currently holding back manufacturing activity, with the S&P Global Eurozone Composite PMI data contracting further in August 48.9 (Vs. Jul. 49.2). Of note, Gazprom stopped indefinitely the supply of natural gas to the Eurozone via the Nord Stream 1 pipeline due to a technical malfunction.

Corporate Bonds

ELSA: Expects Contract Realization to Exceed Target. PT Elnusa Tbk (ELSA) in early September 2022 recorded the realization of on-hand consolidated work contract at 80% of the company's 2022 work plan and budget. Seeing this, the Company is confident that it will be able to book better financial performance, supported by an increase in upstream oil and gas service activities, especially seismic activities and well services as well as an increase in the demand for fuel. (Emiten News)

Domestic Issue

Fuel Price Increase is Projected to Hoist Inflation by 1.9%. The increase in the price of fuel will have an impact of 1.9% on inflation this year. Thus, it is estimated that inflation at the end of 2022 will reach 6.6% to 6.8%. The Fiscal Policy Agency of the Ministry of Finance said it had calculated the impact of the fuel increase. Meanwhile, this year's economic growth is predicted to stay at 5.2%. (CNN Indonesia)

Recommendation

Investors pay attention to the transfer of fuel subsidy allocation to productive and strategic sectors. The increase in subsidized fuel prices provides certainty for business actors. Yesterday's movement in the government securities market was also in the midst of heavy sentiment on the Wall Street stock exchange which was on holiday to commemorate Labor Day on Monday. On the other hand, investors are still keeping an eye on the impact of the Eurozone energy crisis, after Russia closed indefinitely one of its main gas supply pipelines to the Eurozone.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.75%	3.50%	Real GDP	5.44%	5.01%
FX Reserve (USD bn)	132.20	136.40	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	5.15	5.09	Govt. Spending Yoy	-5.24%	-7.74%
Exports Yoy	32.03%	40.68%	FDI (USD bn)	4.28	4.70
Imports Yoy	39.86%	21.98%	Business Confidence	104.82	105.33
Inflation Yoy	4.69%	4.94%	Cons. Confidence*	123.20	128.20

PRICE OF BENCHMARK SERIES

FR0090	: +10.1 Bps to 93.92 (6.67%)
FR0091	: +1.0 Bps to 94.76 (7.13%)
FR0093	: +1.4 Bps to 93.49 (7.08%)
FR0092	: 0.0 Bps to 100.32 (7.09%)
FR0086	: +3.3 Bps to 96.81 (6.50%)
FR0087	: +4.0 Bps to 96.04 (7.13%)
FR0083	: +2.6 Bps to 102.72 (7.22%)
FR0088	: +0.0 Bps to 93.00 (7.05%)

CDS of Indonesia Bonds

CDS 2yr	: +2.65% to 52.86
CDS 5yr	: +0.94% to 123.38
CDS 10yr	: +2.12% to 192.24

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.15%	0.01%
USDIDR	14,903	0.04%
KRWIDR	10.87	-0.57%

Global Indices

Index	Last	Chg.	%
Dow Jones	31,318.44	0.00	0.00%
S&P 500	3,924.26	0.00	0.00%
FTSE 100	7,287.43	6.24	0.09%
DAX	12,760.78	(289.49)	-2.22%
Nikkei	27,619.61	(31.23)	-0.11%
Hang Seng	19,225.70	(226.39)	-1.16%
Shanghai	3,199.91	13.43	0.42%
KOSPI	2,403.68	(5.73)	-0.24%
EIDO	24.04	0.00	0.00%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,710.4	(1.8)	-0.10%
Crude Oil (\$/bbl)	86.87	0.26	0.30%
Coal (\$/ton)	457.80	22.80	5.24%
Nickel LME (\$/MT)	21,458	929.0	4.53%
Tin LME (\$/MT)	21,625	470.0	2.22%
CPO (MYR/Ton)	3,916	1.0	0.03%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	US	19:30	Change in Nonfarm Payrolls	Aug.	315K	298K	526K
<i>2 - Sept.</i>	US	19:30	Unemployment Rate	Aug.	3.7%	3.5%	3.5%
	US	21:00	Factory Orders	Jul.	-1.0%	0.2%	1.8%
	US	21:00	Durable Goods Orders	Jul. F	-0.1%	0.0%	0.0%
Monday	CH	08:45	Caixin China PMI Composite	Aug.	53.0	--	54.0
<i>5 - Sept.</i>	CH	08:45	Caixin China PMI Services	Aug.	55.0	54.0	55.5
	GE	14:55	S&P Global Germany Services PMI	Aug. F	47.7	48.2	48.2
	GE	14:55	S&P Global Germany Composite PMI	Aug. F	46.9	47.6	47.6
Tuesday	GE	13:00	Factory Orders MoM	Jul.		-0.4%	-0.4%
<i>6 - Sept.</i>	US	20:45	S&P Global US Services PMI	Aug. F		44.2	44.1
	US	20:45	S&P Global US Composite PMI	Aug. F		45.0	45.0
	US	21:00	ISM Services Index	Aug.		55.2	56.7
Wednesday	ID	10:00	Foreign Reserves	Aug.		--	\$132.20Bn
<i>7 - Sept.</i>	ID	--	Consumer Confidence Index	Aug.		--	123.2
	US	18:00	MBA Mortgage Applications	Sept. 2		--	-3.7%
	US	19:30	Trade Balance	Jul.		-\$70.1Bn	-\$79.6Bn
Thursday	EC	19:15	ECB Main Refinancing Rate	Sept. 8		1.000%	0.500%
<i>8 - Sept.</i>	EC	19:15	ECB Marginal Lending Facility	Sept. 8		--	0.750%
	EC	19:15	ECB Deposit Facility Rate	Sept. 8		0.625%	0.000%
	US	19:30	Initial Jobless Claims	Sept. 3		--	232K
Friday	US	21:00	Wholesale Inventories MoM	Jul. F		0.8%	0.8%
<i>9 - Sept.</i>	--	--	--	--	--	--	--

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

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

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

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

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

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

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta