

Morning Brief

Daily | Nov. 17, 2022

Today's Outlook:

Resilient Consumers keep inflation high. The accumulation of savings during the Covid-19 pandemic, and rising wages amid a solid labor market, helped people cope with high inflation and Borrowing Costs. Data showed that Retail Sales Advance AS Oct. MoM grew 1.3% (Vs. Sept. 0.0%), indicating consumer spending increased at the beginning of 4Q22. A Resilient Consumer has a chance to keep the Fed on a Hawkish path at the upcoming Dec. FOMC. Additionally, high FFR has slowed down industrial production activity again, with US Industrial Production in Oct. MoM at -0.1% (Vs. Sept. 0.1%).

Corporate Bonds

Moratelindo Ready to Pay Off Bonds Amounting To Rp 460 Billion. PT Mora Telematika Indonesia (MORA) or Moratelindo, a telecommunications infrastructure services company, plans to pay off its 2017 Series B Bonds I Moratelindo of IDR 460 billion. The repayment of the bonds will mature on December 5, 2022. (Beritasatu)

Domestic Issue

Indonesia's Imports Begin to Slow Down. The slowdown in imports is feared could disrupt manufacturing performance in Indonesia. In line with imports in October which slowed down from the previous month. Data from The Statistics Indonesia recorded that the value of imports in October was USD19.14 billion, down 3.40% compared to September 2022. In this period, only the consumption imports increased, while raw materials/auxiliaries and capital goods decreased. (Kontan)

Recommendation

The survey result is balanced and BI is projected to raise the BI 7DRR Nov. by 25Bps or 50Bps. The increase in BI 7DRR 50Bps, or Front Loading, signaled that BI's stance remains Hawkish to restrain rupiah depreciation. On the other hand, Trade Balance Surplus in Oct. rose significantly to +USD5.6 billion (Vs. Sept. +USD4.9 billion), leaving room for BI to maintain Rupiah volatility and make BI raise the BI 7DRR by 25Bps only.

PRICE OF BENCHMARK SERIES

FR0090	: -7.1 Bps to 93.79 (6.77%)
FR0091	: -2.5 Bps to 95.71 (7.00%)
FR0093	: -0.3 Bps to 94.55 (6.97%)
FR0092	: +0.4 Bps to 100.02 (7.12%)
FR0086	: -6.2 Bps to 96.19 (6.76%)
FR0087	: -5.4 Bps to 96.19 (7.11%)
FR0083	: -3.2 Bps to 101.25 (7.37%)
FR0088	: -42.7 Bps to 91.87 (7.19%)

CDS of Indonesia Bonds

CDS 2yr	: +4.89% to 43.09
CDS 5yr	: +0.99% to 103.92
CDS 10yr	: +3.94% to 170.92

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	7.03%	-0.03%
USDIDR	15,603	0.42%
KRWIDR	11.77	-0.20%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,553.83	(39.09)	-0.12%
S&P 500	3,958.79	(32.94)	-0.83%
FTSE 100	7,351.19	(18.25)	-0.25%
DAX	14,234.03	(144.48)	-1.00%
Nikkei	28,028.30	38.13	0.14%
Hang Seng	18,256.48	(86.64)	-0.47%
Shanghai	3,119.98	(14.10)	-0.45%
KOSPI	2,477.45	(2.88)	-0.12%
EIDO	22.76	(0.60)	-2.57%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,773.9	(5.1)	-0.29%
Crude Oil (\$/bbl)	85.59	(1.33)	-1.53%
Coal (\$/ton)	332.55	(8.45)	-2.48%
Nickel LME (\$/MT)	27,532	(2722.0)	-9.00%
Tin LME (\$/MT)	23,635	249.0	1.06%
CPO (MYR/Ton)	4,022	(44.0)	-1.08%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	4.75%	4.25%	Real GDP	5.72%	5.44%
FX Reserve (USD bn)	130.20	130.80	Current Acc (USD bn)	0.41	4.97
Trd Balance (USD bn)	5.67	4.99	Govt. Spending Yoy	-2.88%	-7.74%
Exports Yoy	12.30%	20.28%	FDI (USD bn)	4.28	4.70
Imports Yoy	17.44%	22.02%	Business Confidence	104.82	105.33
Inflation Yoy	5.71%	5.95%	Cons. Confidence*	120.30	117.20

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	—	—	—	—	—	—	—
<i>14 - Nov.</i>	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Oct.	\$5,670Mn	\$4,500Mn	\$4,970Mn
<i>15 - Nov.</i>	ID	11:00	Exports / Imports YoY	Oct.	12.30%/17.44%	13.50% / 24.00%	20.28% / 22.02%
	US	20:30	PPI Final Demand MoM / YoY	Oct.	0.2% / 8.0%	0.5% / 8.3%	0.4% / 8.5%
	US	20:30	PPI Core MoM / YoY	Oct.	0.0% / 6.7%	0.4% / 7.2%	0.3% / 7.2%
Wednesday	US	19:00	MBA Mortgage Applications	Nov. 11	2.7%	--	-0.1%
<i>16 - Nov.</i>	US	20:30	Retail Sales Advance MoM	Oct.	1.3%	1.0%	0.0%
	US	21:15	Industrial Production MoM	Oct.	-0.1%	0.1%	0.1%
	US	21:15	Capacity Utilization	Oct.	79.9%	80.4%	80.3%
Thursday	ID	14:20	BI 7DRR	Nov. 17		5.25%	4.75%
<i>17 - Nov.</i>	US	20:30	Housing Starts	Oct.		1,420K	1,439K
	US	20:30	Building Permits	Oct.		1,517K	1,564K
	US	20:30	Initial Jobless Claims	Nov. 12		--	225K
Friday	ID	10:00	BoP Current Account Balance	3Q22		\$2,500Mn	\$3,900Mn
<i>18 - Nov.</i>	US	22:00	Existing Home Sales	Oct.		4.37Mn	4.71Mn
	US	22:00	Existing Home Sales	Oct.		-7.3%	-1.5%
	US	22:00	Leading Index	Oct.		-0.4%	-0.4%

Source: Bloomberg

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