

Morning Brief

Daily | Dec. 7, 2022

Today's Outlook:

The Strong Dollar has pushed the US Trade Deficit more. Appreciation of the USD exchange rates as the FFR remains at a high level, making US manufactured goods less competitive in the global market. US exports fell 0.7% MoM to the lowest level in seven months. Export pressures might indicate that the Trade Deficit will weigh the US economy in 4Q22. On the other hand, the Strong Dollar increased the bargaining power of the USD towards other countries' currencies, and US imports grew by 0.6%, MoM. Bloomberg data shows that US Trade in Oct. recorded a deficit of -USD78.2 billion (vs. Sept. -USD74.1 billion), or an increase of 5.5% MoM.

Corporate Bonds

Pefindo Still Holds IDR 11.16 Trillion Bond Mandate. PT Pemeringkat Efek Indonesia (Pefindo) still holds the mandate for rating bonds worth IDR 11.16 trillion until the end of November 2022. The mandate comes from 17 companies, both with the status of State-Owned Enterprises (BUMN) and non-SOEs. Pefindo recorded the issuance of corporate bonds as of November 2022, originating from 9 non-state-owned companies amounting to IDR 6.78 trillion. Meanwhile, 8 state-owned companies issued bonds amounting to IDR 4.37 trillion. (Kontan)

Domestic Issue

Jokowi Soon Announce Bauxite Export Ban. Indonesia's President, Joko Widodo (Jokowi), soon announce a ban on bauxite exports. This action is done to push the downstream of raw materials inside the country. Jokowi stated that investment is one of the keys to economic growth in 2023. For this reason, the downstream of raw materials will be consistently carried out. (CNN Indonesia)

Recommendation

ICE Newcastle again broke through the psychological level of USD400/ton. Besides hoping China's Zero-Covid Policy to ease, the rising in European gas prices have again pushed up coal commodity prices. In awaiting the release of Foreign Exchange Reserves (Cadev) Indonesia data this morning, NHKSI Research projects that SUN market relatively mixed.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	5.25%	4.75%	Real GDP	5.72%	5.44%
FX Reserve (USD bn)	130.20	130.80	Current Acc (USD bn)	4.02	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)	5.14	4.70
Imports Yoy	17.44%	22.02%	Business Confidence	104.82	105.33
Inflation Yoy	5.42%	5.71%	Cons. Confidence*	120.30	117.20

PRICE OF BENCHMARK SERIES

FR0090	: +1.9 Bps to 96.13 (6.14%)
FR0091	: +4.4 Bps to 96.21 (6.93%)
FR0093	: +13.6 Bps to 95.00 (6.92%)
FR0092	: +6.7 Bps to 100.41 (7.08%)
FR0086	: -5.6 Bps to 98.13 (6.12%)
FR0087	: +5.2 Bps to 97.59 (6.88%)
FR0083	: -1.3 Bps to 102.47 (7.24%)
FR0088	: -9.5 Bps to 92.75 (7.09%)

CDS of Indonesia Bonds

CDS 2yr	: +9.27% to 38.46
CDS 5yr	: +8.77% to 100.11
CDS 10yr	: +7.16% to 175.54

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.96%	0.05%
USDIDR	15,618	0.97%
KRWIDR	11.84	-1.06%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,596.34	(350.76)	-1.03%
S&P 500	3,941.26	(57.58)	-1.44%
FTSE 100	7,521.39	(46.15)	-0.61%
DAX	14,343.19	(104.42)	-0.72%
Nikkei	27,885.87	65.47	0.24%
Hang Seng	19,441.18	(77.11)	-0.40%
Shanghai	3,212.53	0.72	0.02%
KOSPI	2,393.16	(26.16)	-1.08%
EIDO	22.87	(0.58)	-2.47%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,771.0	2.4	0.13%
Crude Oil (\$/bbl)	74.25	(2.68)	-3.48%
Coal (\$/ton)	408.80	8.30	2.07%
Nickel LME (\$/MT)	29,271	591.0	2.06%
Tin LME (\$/MT)	24,814	368.0	1.51%
CPO (MYR/Ton)	4,094	127.0	3.20%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Monday	CH	08:45	Caixin China PMI Composite	Nov.	47.0	--	48.3
5 - Dec.	CH	08:45	Caixin China PMI Services	Nov.	46.7	48.0	48.4
	US	22:00	Factory Orders	Oct.	1.0%	0.7%	0.3%
	US	22:00	Durable Goods Orders	Oct.	1.1%	1.0%	1.0%
Tuesday	GE	14:00	Factory Orders MoM	Oct.	0.8%	0.1%	-2.9%
6 - Dec.	US	20:30	Trade Balance	Oct.	-\$78.2Bn	-\$80.0Bn	-\$74.1Bn
Wednesday	ID	10:00	Foreign Reserves	Nov.		--	\$130.20Bn
7 - Dec.	CH	--	Exports YoY	Nov.		-4.8%	-0.3%
	CH	--	Imports YoY	Nov.		-7.7%	-0.7%
	US	19:00	MBA Mortgage Applications	Dec.		--	-0.8%
Thursday	ID	--	Consumer Confidence Index	Nov.		--	120.3
8 - Dec.	US	20:30	Initial Jobless Claims	Dec.		--	225K
Friday	US	20:30	PPI Final Demand MoM	Nov.		0.2%	0.2%
9 - Dec.	US	20:30	PPI Final Demand YoY	Nov.		7.1%	8.0%
	US	22:00	U. Of Mich. 1 Yr Inflation	Dec.		--	4.9%
	US	22:00	U. Of Mich. 5-10 Yr Inflation	Dec.		--	3.0%

Source: Bloomberg

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