Economic and Fixed Income Indicators

Currencies	5/3/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.11	0.6	0.4	3.3
GBP/USD	1.26	0.8	(0.0)	4.0
AUD/USD	0.67	0.1	0.8	(2.1)
USD/CHF	0.88	(1.0)	(1.2)	(4.4)
USD/JPY	134.7	(1.3)	(1.2)	2.7
Dollar Index	101.3	(0.6)	(0.3)	(2.1)
Bloomberg Asia Dollar Index	94.1	0.1	0.0	(0.4)
USD/KRW	1,338	(0.3)	(0.0)	5.7
USD/SGD	1.33	(0.3)	(0.3)	(0.7)
USD/CNY	6.91	0.0	0.0	0.2
USD/INR	81.8	(0.1)	(0.0)	(1.1)
USD/IDR	14,685	(0.1)	0.1	(5.7)
USD/IDR 1 Month NDF	14,688	(0.4)	0.1	(5.4)
USD/MYR	4.46	(0.2)	(0.2)	1.2
USD/THB	34.0	(0.5)	(0.3)	(1.7)
USD/PHP	55.4	0.0	0.0	(0.6)
Rates	**5/3/2023**	**Daily (bp)**	**MTD (bp)**	**YTD (bp)**
US Treasuries 10-Year	3.34	(8.8)	(8.6)	(53.9)
Germany Bund 10-Year	2.25	(1.1)	(6.6)	(32.4)
Japan JGB 10-Year	0.42	0.0	2.7	(0.1)
LIBOR Overnight	4.81	0.0	0.4	49.7
LIBOR 1-Month	5.09	0.0	3.2	70.2
Indonesia INDOGB 10-Year	6.48	(4.1)	(5.0)	(45.8)
Indonesia INDOGB 5-Year	6.24	(2.9)	(4.1)	3.4
Indonesia INDOGB 2-Year	6.18	(0.1)	(1.3)	10.1
INDOGB-UST (bp)	314.64	4.7	3.6	8.1
Indonesia INDON 10-Year	4.63	(7.9)	(5.8)	(16.9)
Indonesia INDON 5-Year	4.41	(7.5)	(4.3)	(27.2)
Indonesia INDON 2-Year	4.42	(3.2)	(3.5)	(37.4)
INDON-UST (bp)	129.14	0.9	2.8	37.0
Indonesia Corporate AAA 10-Year	7.13	(4.2)	(8.5)	(61.4)
Indonesia Corporate AAA 5-Year	6.81	(2.9)	(6.8)	0.8
Indonesia Corporate AAA 2-Year	6.71	(0.2)	(3.1)	23.0
INDONIA	5.61	(1.3)	(9.9)	58.8
JIBOR 1-Month	6.40	0.1	0.1	20.0
Bond Indexes	**5/3/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
S&P Global Bond Developed Index	181.3	0.0	0.1	3.1
EMBI Global Index	790.2	0.4	0.1	2.8
iShare USD EMBI Index	85.3	0.3	(0.3)	0.7
ICBI Index	357.9	0.2	0.3	3.8
IDMA Index	99.6	0.4	0.4	2.2
INDOBeX Government Bond Index	350.3	0.2	0.3	3.9
INDOBeX Corporate Bond Index	404.1	0.1	0.2	3.0
Prices	**5/3/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
ID CDS 5-Year	98.7	2.1	2.9	(0.9)
JCI	6,813	(0.7)	(1.5)	(0.6)
S&P-Goldman Sachs Commodity Index	529.6	(2.1)	(6.1)	(13.2)
FR0095	100.77	0.1	0.2	1.6
FR0096	103.87	0.3	0.4	3.3
FR0097	102.75	0.3	0.3	2.6
FR0098	103.00	0.4	0.5	2.5

Source: Bloomberg, SSI Research

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Bullish mood in the bond market following Fed's dovish hike

Global bond investors are confident that last night's Fed rate hike (3/5) will be the last one in the current cycle, and the Fed is expected to start cutting its benchmark rate in 4Q23 by at least 50 bps to 4.75%. In response to this, global bond investors started to buy more bonds, leading to a -9 bps drop in UST 10Y yield to 3.34%, boosting the spread between INDOGB and UST 10Y to 315 bps. Considering these developments, we project the 10-year INDOGB yield to rise today, reaching 6.4-6.5%. Rupiah might follow suit, continuing its appreciation to IDR 14,550-14,650 per USD following the recent drop in the USD index (-0.6% to 101.3).

Fixed Income News: DOID plans to issue USD 500mn global bonds. PT Delta Dunia Makmur (DOID) plans to issue global bonds in the Singapore market to cover its debt payment obligations (2022: USD 947.3mn). The company's spokesperson stated that the plan was made to maintain the value of the company's cash. DOID plans to issue bonds with a 6-year tenor (2029), while the planned interest rate is still being discussed internally. The plan, which is subject to the approval of the company's EGMS on 8 June 2023, will be carried out in 2H23. (*Emitennews*)

Global Economic News: The Fed raised its FFR rate by 25 bps to 5.25%. In addition, Fed Chair Jerome Powell also sent a signal of a rate hike pause next month, to evaluate the impact of previous interest rate hikes on the US economy, especially the banking sector, following the liquidation cases of several regional banks. In our opinion, barring any unforeseen external factors that might trigger a surge in inflation, the Fed will start pausing its rate hike this month. (*Wall Street Journal*)

Domestic Economic News: The Ministry of Finance is wary of the impact of the El Nino on inflation. Head of the Fiscal Policy Agency, Febrio Kacaribu, emphasized the government's success in managing inflation during Ramadan and Eid through a combination of policies to maintain food reserves, conduct market operations, and improve coordination between the central and regional inflation task force. Considering the successful inflation control during Ramadan and Eid, we are optimistic about the government's ability to suppress the impact of El Nino on inflation. (*Bisnis Indonesia*)

Recommendation: FR0094, FR0095, FR0096, FR0097, FR0098, FR0086, FR0065.

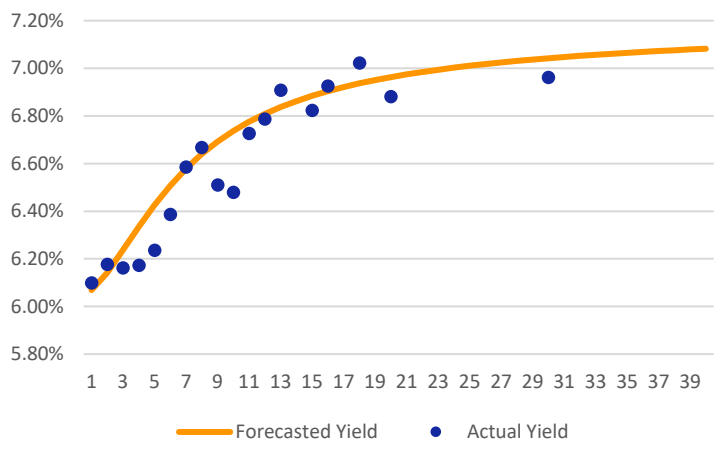
Economic Calender

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
05/04/2023 08:45	CH	Caixin China PMI Mfg	Apr	50.00	50.00
05/04/2023 19:15	EC	ECB Main Refinancing Rate	4-May	3.75%	3.50%
05/04/2023 19:15	EC	ECB Marginal Lending Facility	4-May	4.00%	3.75%
05/04/2023 19:15	EC	ECB Deposit Facility Rate	4-May	3.25%	3.00%

JN = Japan - US = United States - CH = China - EC = Eurozone Aggregate - ID = Indonesia - GE = Germany - FR = France - UK = United Kingdom

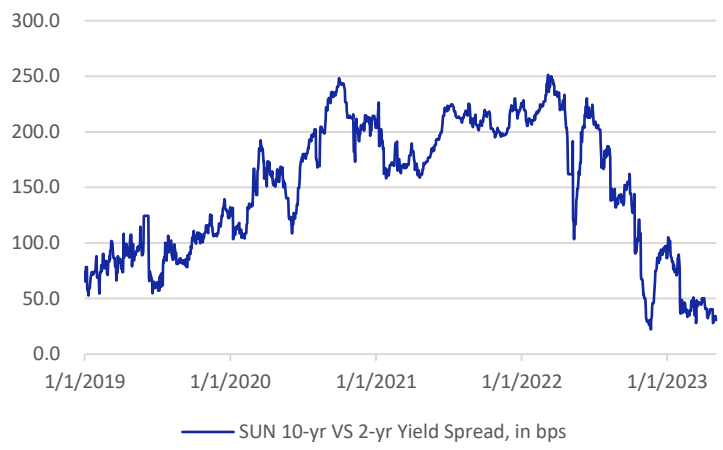
No.	Series	Issue Date	Maturity Date	Tenure (Year)	Coupon Rate	Actual Price	Yield to Maturity	Yield Curve	Valuation Price	Spread to YC (bps)	Recommendation	Duration
1	FR63	8/13/2012	5/15/2023	0.03	5.6%	100.01	5.2%	6.1%	99.99	(84.58)	Expensive	0.04
2	FR46	7/19/2007	7/15/2023	0.20	9.5%	100.63	5.9%	6.1%	100.67	(14.92)	Expensive	0.20
3	FR39	8/24/2006	8/15/2023	0.28	11.8%	101.88	4.7%	6.1%	101.58	(141.68)	Expensive	0.28
4	FR70	8/29/2013	3/15/2024	0.87	8.4%	102.06	5.9%	6.1%	101.87	(27.33)	Expensive	0.84
5	FR77	9/27/2018	5/15/2024	1.04	8.1%	102.09	6.0%	6.1%	101.97	(16.17)	Expensive	0.99
6	FR44	4/19/2007	9/15/2024	1.37	10.0%	105.28	5.9%	6.2%	104.98	(28.41)	Expensive	1.28
7	FR81	8/1/2019	6/15/2025	2.12	6.5%	100.76	6.1%	6.2%	100.57	(9.93)	Expensive	1.98
8	FR40	9/21/2006	9/15/2025	2.37	11.0%	110.25	6.2%	6.2%	110.39	1.95	Cheap	2.10
9	FR84	5/4/2020	2/15/2026	2.79	7.3%	102.53	6.2%	6.2%	102.53	(1.20)	Expensive	2.52
10	FR86	8/13/2020	4/15/2026	2.95	5.5%	98.39	6.1%	6.3%	97.99	(15.24)	Expensive	2.73
11	FR56	9/23/2010	9/15/2026	3.37	8.4%	106.57	6.2%	6.3%	106.27	(11.08)	Expensive	2.95
12	FR37	5/18/2006	9/15/2026	3.37	12.0%	117.33	6.2%	6.3%	117.14	(8.98)	Expensive	2.83
13	FR90	7/8/2021	4/15/2027	3.95	5.1%	96.53	6.1%	6.3%	95.89	(18.80)	Expensive	3.58
14	FR59	9/15/2011	5/15/2027	4.04	7.0%	102.92	6.2%	6.3%	102.38	(15.31)	Expensive	3.51
15	FR42	1/25/2007	7/15/2027	4.20	10.3%	114.13	6.4%	6.3%	114.27	1.99	Cheap	3.51
16	FR94	3/4/2022	1/15/2028	4.71	5.6%	97.13	6.3%	6.4%	96.95	(4.36)	Expensive	4.14
17	FR47	8/30/2007	2/15/2028	4.79	10.0%	114.50	6.4%	6.4%	114.82	5.63	Cheap	3.86
18	FR64	8/13/2012	5/15/2028	5.04	6.1%	99.76	6.2%	6.4%	98.93	(19.60)	Expensive	4.32
19	FR95	8/19/2022	8/15/2028	5.29	6.4%	100.78	6.2%	6.4%	99.93	(19.46)	Expensive	4.48
20	FR99	1/27/2023	1/15/2029	5.71	6.4%	100.45	6.3%	6.4%	99.93	(11.21)	Expensive	4.81
21	FR71	9/12/2013	3/15/2029	5.87	9.0%	112.80	6.3%	6.4%	112.44	(7.69)	Expensive	4.66
22	FR78	9/27/2018	5/15/2029	6.04	8.3%	109.34	6.4%	6.4%	108.98	(7.27)	Expensive	4.80
23	FR52	8/20/2009	8/15/2030	7.29	10.5%	122.47	6.6%	6.5%	122.97	6.71	Cheap	5.32
24	FR82	8/1/2019	9/15/2030	7.38	7.0%	103.20	6.4%	6.5%	102.89	(5.43)	Expensive	5.79
25	FRSDG1	10/27/2022	10/15/2030	7.46	7.4%	103.93	6.7%	6.5%	105.08	19.06	Cheap	5.82
26	FR87	8/13/2020	2/15/2031	7.79	6.5%	100.18	6.5%	6.5%	99.88	(5.16)	Expensive	6.09
27	FR85	5/4/2020	4/15/2031	7.96	7.8%	106.50	6.7%	6.5%	107.49	15.22	Cheap	6.06
28	FR73	8/6/2015	5/15/2031	8.04	8.8%	113.07	6.6%	6.5%	113.70	9.03	Cheap	5.91
29	FR54	7/22/2010	7/15/2031	8.21	9.5%	117.68	6.7%	6.5%	118.57	12.11	Cheap	5.98
30	FR91	7/8/2021	4/15/2032	8.96	6.4%	99.27	6.5%	6.6%	98.66	(9.26)	Expensive	6.86
31	FR58	7/21/2011	6/15/2032	9.13	8.3%	110.58	6.7%	6.6%	111.30	9.55	Cheap	6.58
32	FR74	11/10/2016	8/15/2032	9.29	7.5%	105.93	6.6%	6.6%	106.24	4.12	Cheap	6.75
33	FR96	8/19/2022	2/15/2033	9.80	7.0%	103.90	6.5%	6.6%	102.75	(15.92)	Expensive	7.12
34	FR65	8/30/2012	5/15/2033	10.04	6.6%	100.91	6.5%	6.6%	100.00	(12.51)	Expensive	7.32
35	FR68	8/1/2013	3/15/2034	10.87	8.4%	113.32	6.6%	6.7%	113.12	(2.77)	Expensive	7.41
36	FR80	7/4/2019	6/15/2035	12.13	7.5%	105.99	6.8%	6.7%	106.47	5.45	Cheap	8.12
37	FR72	7/9/2015	5/15/2036	13.04	8.3%	111.54	6.9%	6.7%	112.90	14.51	Cheap	8.26
38	FR88	1/7/2021	6/15/2036	13.13	6.3%	96.13	6.7%	6.8%	95.68	(5.31)	Expensive	8.88
39	FR45	5/24/2007	5/15/2037	14.04	9.8%	126.50	6.8%	6.8%	126.58	0.45	Cheap	8.37
40	FR93	1/6/2022	7/15/2037	14.21	6.4%	97.50	6.6%	6.8%	96.24	(14.25)	Expensive	9.35
41	FR75	8/10/2017	5/15/2038	15.04	7.5%	105.76	6.9%	6.8%	106.33	5.80	Cheap	9.18
42	FR98	9/15/2022	6/15/2038	15.13	7.1%	102.99	6.8%	6.8%	102.82	(1.99)	Expensive	9.38
43	FR50	1/24/2008	7/15/2038	15.21	10.5%	132.91	7.0%	6.8%	134.43	12.81	Cheap	8.70
44	FR79	1/7/2019	4/15/2039	15.96	8.4%	114.01	6.9%	6.9%	114.65	5.88	Cheap	9.37
45	FR83	11/7/2019	4/15/2040	16.96	7.5%	105.91	6.9%	6.9%	106.11	1.83	Cheap	9.91
46	FR57	4/21/2011	5/15/2041	18.05	9.5%	125.35	7.0%	6.9%	126.39	8.46	Cheap	9.60
47	FR62	2/9/2012	4/15/2042	18.96	6.4%	95.50	6.8%	6.9%	94.05	(14.33)	Expensive	10.90
48	FR92	7/8/2021	6/15/2042	19.13	7.1%	102.13	6.9%	6.9%	101.85	(2.74)	Expensive	10.58
49	FR97	8/19/2022	6/15/2043	20.13	7.1%	102.78	6.9%	7.0%	101.60	(10.88)	Expensive	10.86
50	FR67	7/18/2013	2/15/2044	20.80	8.8%	117.88	7.1%	7.0%	119.10	9.72	Cheap	10.41
51	FR76	9/22/2017	5/15/2048	25.05	7.4%	103.54	7.1%	7.1%	103.31	(1.97)	Expensive	11.64
52	FR89	1/7/2021	8/15/2051	28.30	6.9%	99.18	6.9%	7.1%	96.68	(20.93)	Expensive	12.41

Chart 1. Samuel's Yield Curve Forecast



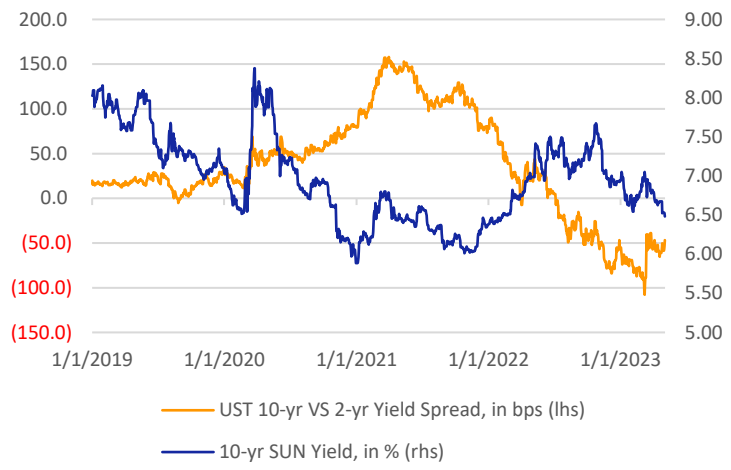
Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



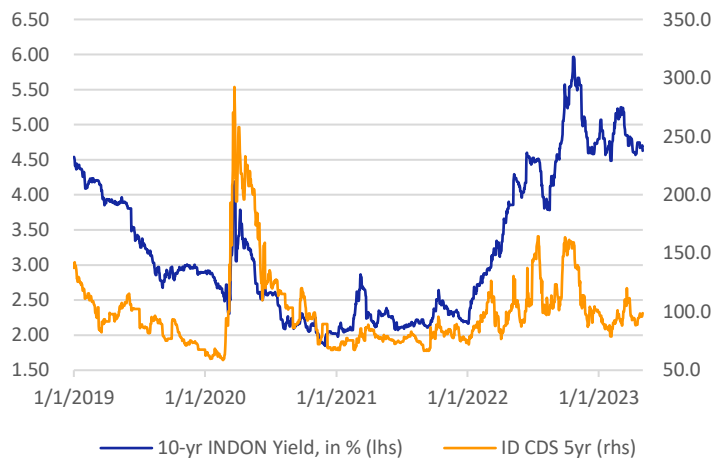
Source: Bloomberg

Chart 3. Leading Indicator for US-Indonesia Bond Market Linkage



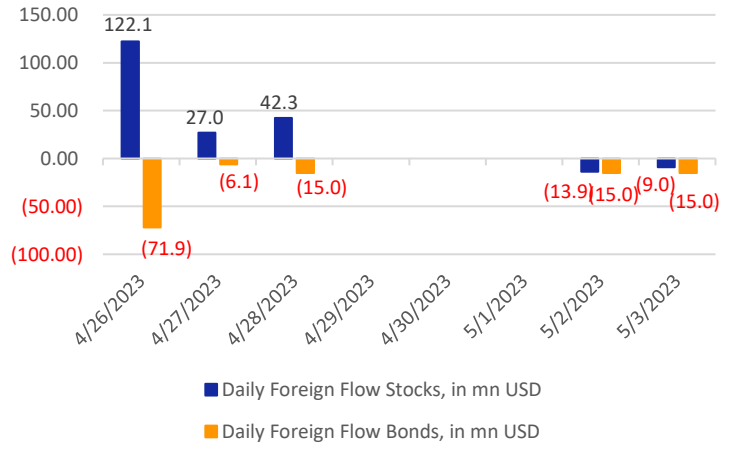
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



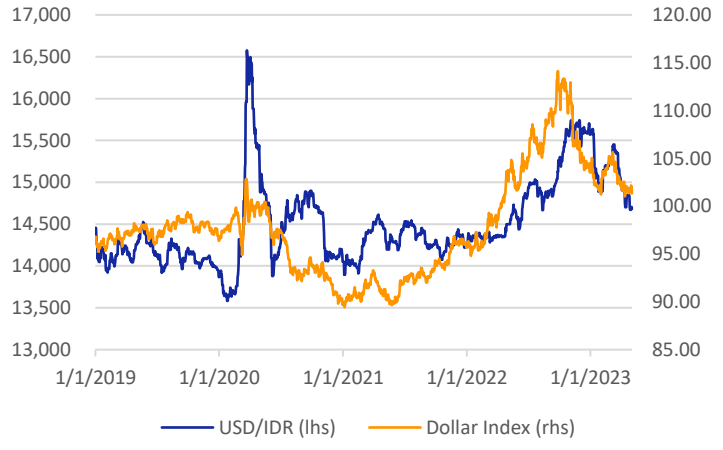
Source: Bloomberg

Chart 5. Foreign Capital Flow Indicator



Source: Bloomberg

Chart 6. Exchange Rate Indicator



Source: Bloomberg

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