

## Economic and Fixed Income Indicators

Currencies	6/14/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.08	0.3	1.3	1.2
GBP/USD	1.27	0.4	1.8	4.8
AUD/USD	0.68	0.4	4.5	(0.2)
USD/CHF	0.90	(0.5)	(1.1)	(2.5)
USD/JPY	140.1	(0.1)	0.5	6.8
Dollar Index	102.9	(0.4)	(1.3)	(0.6)
Bloomberg Asia Dollar Index	92.9	(0.0)	0.4	(1.8)
USD/KRW	1,279	0.6	(3.6)	1.0
USD/SGD	1.34	(0.1)	(0.8)	0.1
USD/CNY	7.16	(0.1)	0.7	3.8
USD/INR	82.1	(0.3)	(0.8)	(0.8)
USD/IDR	14,900	0.3	(0.6)	(4.3)
USD/IDR 1 Month NDF	14,906	0.2	(0.6)	(4.0)
USD/MYR	4.62	0.1	0.2	4.9
USD/THB	34.7	0.4	(0.4)	0.2
USD/PHP	56.0	0.0	(0.4)	0.4
Rates	6/14/2023	Daily (bp)	MTD (bp)	YTD (bp)
US Treasuries 10-Year	3.79	(2.7)	14.4	(8.9)
Germany Bund 10-Year	2.45	2.9	17.0	(11.9)
Japan JGB 10-Year	0.43	0.6	(0.5)	0.9
LIBOR Overnight	5.07	0.0	0.5	75.1
LIBOR 1-Month	5.19	0.0	0.0	80.2
Indonesia INDOGB 10-Year	6.26	(2.7)	(11.3)	(68.3)
Indonesia INDOGB 5-Year	5.87	(3.9)	(15.8)	(33.4)
Indonesia INDOGB 2-Year	5.73	(4.4)	8.0	(34.3)
INDOGB-UST (bp)	247.08	0.0	(25.7)	(59.4)
Indonesia INDON 10-Year	4.84	3.0	14.3	4.8
Indonesia INDON 5-Year	4.82	3.3	18.8	13.8
Indonesia INDON 2-Year	5.14	(2.3)	14.4	34.6
INDON-UST (bp)	105.78	5.7	(0.1)	13.7
Indonesia Corporate AAA 10-Year	7.06	0.2	(5.1)	(68.8)
Indonesia Corporate AAA 5-Year	6.58	(2.1)	(9.7)	(22.2)
Indonesia Corporate AAA 2-Year	6.36	(3.2)	12.9	(12.8)
INDONIA	5.58	0.3	(4.3)	55.9
JIBOR 1-Month	6.39	0.0	(0.7)	19.3
Bond Indexes	6/14/2023	Daily (%)	MTD (%)	YTD (%)
S&P Global Bond Developed Index	179.1	(0.0)	(0.6)	1.9
EMBI Global Index	791.8	0.1	1.2	3.1
iShare USD EMBI Index	85.4	0.2	1.0	0.8
ICBI Index	366.9	0.1	0.9	6.4
IDMA Index	101.4	0.2	1.1	4.1
INDOBeX Government Bond Index	359.3	0.1	0.9	6.6
INDOBeX Corporate Bond Index	410.5	0.0	0.6	4.6
Prices	6/14/2023	Daily (%)	MTD (%)	YTD (%)
ID CDS 5-Year	82.0	(2.2)	(7.7)	(17.7)
JCI	6,700	(0.3)	1.0	(2.2)
S&P-Goldman Sachs Commodity Index	540.6	1.0	2.2	(11.4)
FR0095	102.32	0.1	0.7	3.2
FR0096	105.44	0.2	0.8	4.9
FR0097	106.89	0.1	1.7	6.7
FR0098	106.57	0.8	1.3	6.1

Source: Bloomberg, SSI Research

## Market skepticism towards Fed's hawkish tone

We noticed market skepticism toward the Fed's somewhat hawkish forecast (see *Global Economic News*). The UST 10Y yield fell by -3 bps to 3.79% last night. Meanwhile, the S&P-Goldman Sachs commodity index rose 1%. The US dollar index fell -0.4%, and US stock indices went through a mixed session, with Nasdaq gaining 0.4% and Dow Jones losing -0.7%. In our opinion, the rather mixed atmosphere in the global market was mainly caused by the sharp decline in US PPI inflation to 1.1% yoy in May (Apr: 2.3% yoy; Cons May: 1.5% yoy), indicating strong inflation deceleration. We believe this might give a breath of fresh air to the domestic bond market, which has begun to show another foreign-driven bullish rally in the past week. We advise investors to increase their bond portfolio, particularly the 2Y, 20Y, and 30Y instruments, after the profit-taking a while ago. We expect the INDOGB 10Y yield to consolidate within the range of 6.25-6.35% today, and rupiah to appreciate to IDR 14,800-14,900 per USD.

**Fixed Income News: Mandiri Tunas Finance offers Shelf Registration Bond VI Phase I/2023 with a principal value of IDR 1tn.** The bonds will be issued in two series; Series A with a 3-year tenor and a coupon of 5.8-6.6%, and Series B with a 5-year tenor and a coupon of 6.1-6.95%. The proceeds from these bonds will be used as MTF's working capital. To note, MTN reported net profit growth of 205.1% to IDR 750bn in 2022. (*Emitennews*)

**Global Economic News: The Fed projects 2X25 bps rate hikes in 2H23. The Fed decided to hold its benchmark interest rate at 5.25%, in line with consensus.** At the same time, the Fed released its latest projections, which showed its optimism about the resilience of the US economy (the central bank raised its 2023 GDP growth projection to 1.1% [Prev: 0.4%] and lowered its unemployment rate projection to 4.1% [Prev: 4.5%]). Inflation is also projected to fall to 3.2% (Prev: 3.3%), but core inflation is projected to rise to 3.9% (Prev: 3.6%). Facing the possibility of persistent core inflation, the Fed raised its peak (terminal) rate projection by 50 bps to 5.625% (Prev: 5.125%). In our opinion, the projection only shows the Fed's flexibility to raise its benchmark interest rate if needed. (*Wall Street Journal*)

**Domestic Economic News: The government and the DPR agree on the 2024 state budget deficit of 2.16-2.64%.** In addition, the government is also targeting a tax-to-GDP ratio of 9.95-10.2%, higher than this year's target of 9.61%. We believe the lower 2024 state budget deficit target will help reduce the possibility of a larger current account deficit in 2024 (due to further slowdowns in global commodity prices). (*Bisnis Indonesia*)

**Recommendation: FR0067, FR0076, FR0089, FR0081, FR0040, FR0084, FR0086, PBS017.**

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## Economic Calendar

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
06/15/2023 08:20	CH	1-Yr Medium-Term Lending Facility Rate	15-Jun	2.65%	2.75%
06/15/2023 11:00	ID	Trade Balance	May	\$3067m	\$3940m
06/15/2023 11:00	ID	Exports YoY	May	-7.72%	-29.40%
06/15/2023 11:00	ID	Imports YoY	May	-9.00%	-22.32%

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

# Daily Economic & Fixed Income Report

Economic-Currencies-Commodities-Fixed Income-Politics-Policies



Economic & Fixed Income Analysis

15 June 2023

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	FR46	7/19/2007	7/15/2023	0.08	9.5%	100.40	3.8%	4.6%	100.41	(85.96)	Expensive	0.09
2	FR39	8/24/2006	8/15/2023	0.17	11.8%	101.05	4.9%	4.6%	101.19	23.47	Cheap	0.17
3	FR70	8/29/2013	3/15/2024	0.75	8.4%	102.04	5.5%	4.8%	102.64	73.86	Cheap	0.72
4	FR77	9/27/2018	5/15/2024	0.92	8.1%	102.24	5.5%	4.8%	102.94	72.62	Cheap	0.89
5	FR44	4/19/2007	9/15/2024	1.26	10.0%	105.34	5.5%	4.9%	106.09	52.33	Cheap	1.17
6	FR81	8/1/2019	6/15/2025	2.01	6.5%	101.54	5.7%	5.2%	102.38	43.37	Cheap	1.86
7	FR40	9/21/2006	9/15/2025	2.26	11.0%	110.93	5.7%	5.3%	111.91	39.37	Cheap	1.99
8	FR84	5/4/2020	2/15/2026	2.68	7.3%	103.09	6.0%	5.5%	104.37	50.04	Cheap	2.44
9	FR86	8/13/2020	4/15/2026	2.84	5.5%	99.80	5.6%	5.5%	99.94	5.27	Cheap	2.62
10	FR56	9/23/2010	9/15/2026	3.26	8.4%	107.51	5.8%	5.6%	108.02	14.87	Cheap	2.84
11	FR37	5/18/2006	9/15/2026	3.26	12.0%	118.36	5.7%	5.6%	118.67	6.08	Cheap	2.72
12	FR90	7/8/2021	4/15/2027	3.84	5.1%	98.26	5.6%	5.8%	97.74	(15.70)	Expensive	3.47
13	FR59	9/15/2011	5/15/2027	3.92	7.0%	103.84	5.9%	5.8%	104.12	7.20	Cheap	3.45
14	FR42	1/25/2007	7/15/2027	4.09	10.3%	115.25	6.0%	5.8%	115.81	12.70	Cheap	3.40
15	FR94	3/4/2022	1/15/2028	4.59	5.6%	98.38	6.0%	5.9%	98.63	6.60	Cheap	4.03
16	FR47	8/30/2007	2/15/2028	4.68	10.0%	117.03	5.8%	6.0%	116.28	(18.47)	Expensive	3.84
17	FR64	8/13/2012	5/15/2028	4.92	6.1%	100.92	5.9%	6.0%	100.52	(9.67)	Expensive	4.27
18	FR95	8/19/2022	8/15/2028	5.18	6.4%	102.33	5.8%	6.0%	101.47	(19.84)	Expensive	4.43
19	FR99	1/27/2023	1/15/2029	5.59	6.4%	101.83	6.0%	6.1%	101.40	(9.18)	Expensive	4.70
20	FR71	9/12/2013	3/15/2029	5.76	9.0%	114.49	6.0%	6.1%	113.79	(14.46)	Expensive	4.56
21	FR78	9/27/2018	5/15/2029	5.92	8.3%	111.11	6.0%	6.1%	110.34	(15.54)	Expensive	4.78
22	FR52	8/20/2009	8/15/2030	7.18	10.5%	123.72	6.3%	6.3%	124.15	5.61	Cheap	5.32
23	FR82	8/1/2019	9/15/2030	7.26	7.0%	104.31	6.2%	6.3%	104.17	(2.82)	Expensive	5.69
24	FRSDG1	10/27/2022	10/15/2030	7.34	7.4%	105.01	6.5%	6.3%	106.35	21.99	Cheap	5.71
25	FR87	8/13/2020	2/15/2031	7.68	6.5%	101.37	6.3%	6.3%	101.15	(3.91)	Expensive	6.08
26	FR85	5/4/2020	4/15/2031	7.84	7.8%	109.13	6.3%	6.3%	108.73	(6.62)	Expensive	5.97
27	FR73	8/6/2015	5/15/2031	7.92	8.8%	115.28	6.3%	6.3%	114.92	(6.00)	Expensive	5.93
28	FR54	7/22/2010	7/15/2031	8.09	9.5%	119.87	6.3%	6.3%	119.77	(2.08)	Expensive	5.89
29	FR91	7/8/2021	4/15/2032	8.84	6.4%	100.91	6.2%	6.4%	99.93	(14.71)	Expensive	6.76
30	FR58	7/21/2011	6/15/2032	9.01	8.3%	112.38	6.4%	6.4%	112.56	2.15	Cheap	6.49
31	FR74	11/10/2016	8/15/2032	9.18	7.5%	108.47	6.3%	6.4%	107.52	(13.54)	Expensive	6.79
32	FR96	8/19/2022	2/15/2033	9.68	7.0%	105.44	6.2%	6.4%	104.07	(19.00)	Expensive	7.14
33	FR65	8/30/2012	5/15/2033	9.93	6.6%	102.35	6.3%	6.4%	101.34	(13.90)	Expensive	7.34
34	FR68	8/1/2013	3/15/2034	10.76	8.4%	115.69	6.3%	6.5%	114.55	(13.96)	Expensive	7.34
35	FR80	7/4/2019	6/15/2035	12.01	7.5%	109.22	6.4%	6.5%	108.08	(13.15)	Expensive	8.07
36	FR72	7/9/2015	5/15/2036	12.93	8.3%	115.68	6.4%	6.5%	114.71	(10.43)	Expensive	8.39
37	FR88	1/7/2021	6/15/2036	13.01	6.3%	99.35	6.3%	6.5%	97.41	(22.48)	Expensive	8.84
38	FR45	5/24/2007	5/15/2037	13.93	9.8%	127.10	6.7%	6.6%	128.72	14.82	Cheap	8.43
39	FR93	1/6/2022	7/15/2037	14.10	6.4%	100.37	6.3%	6.6%	98.18	(24.01)	Expensive	9.31
40	FR75	8/10/2017	5/15/2038	14.93	7.5%	109.73	6.5%	6.6%	108.54	(12.06)	Expensive	9.33
41	FR98	9/15/2022	6/15/2038	15.01	7.1%	106.57	6.4%	6.6%	105.01	(15.93)	Expensive	9.37
42	FR50	1/24/2008	7/15/2038	15.10	10.5%	135.30	6.7%	6.6%	136.97	13.83	Cheap	8.65
43	FR79	1/7/2019	4/15/2039	15.85	8.4%	117.62	6.6%	6.6%	117.17	(4.41)	Expensive	9.36
44	FR83	11/7/2019	4/15/2040	16.85	7.5%	108.89	6.6%	6.6%	108.78	(1.25)	Expensive	9.90
45	FR57	4/21/2011	5/15/2041	17.93	9.5%	129.50	6.7%	6.6%	129.68	1.17	Cheap	9.80
46	FR62	2/9/2012	4/15/2042	18.85	6.4%	97.75	6.6%	6.7%	97.01	(7.12)	Expensive	10.89
47	FR92	7/8/2021	6/15/2042	19.02	7.1%	105.66	6.6%	6.7%	105.00	(5.95)	Expensive	10.61
48	FR97	8/19/2022	6/15/2043	20.02	7.1%	106.93	6.5%	6.7%	105.00	(16.87)	Expensive	10.93
49	FR67	7/18/2013	2/15/2044	20.69	8.8%	118.76	7.0%	6.7%	123.07	33.90	Cheap	10.52
50	FR76	9/22/2017	5/15/2048	24.94	7.4%	107.23	6.8%	6.7%	107.95	5.61	Cheap	11.94
51	FR89	1/7/2021	8/15/2051	28.19	6.9%	101.67	6.7%	6.7%	101.76	0.62	Cheap	12.67

# Daily Economic & Fixed Income Report

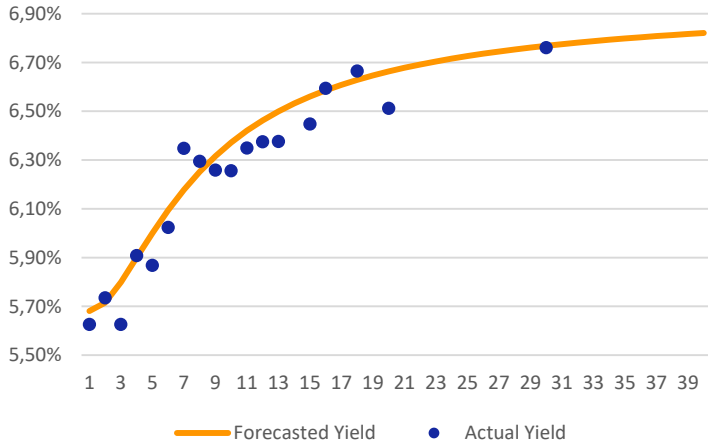
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Economic & Fixed Income Analysis

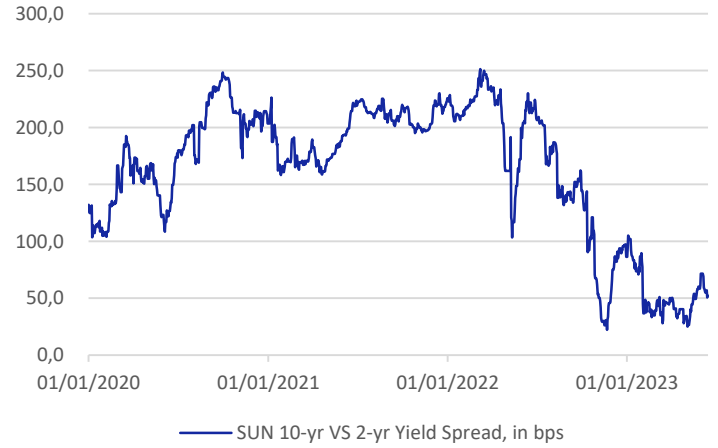
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Chart 1. Samuel's Yield Curve Forecast



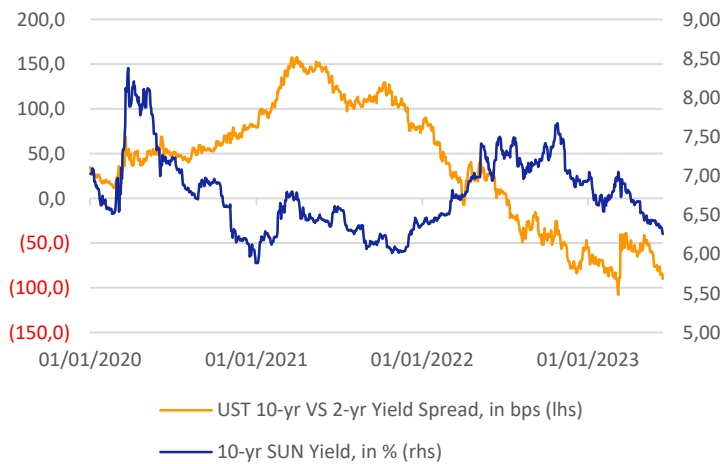
Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



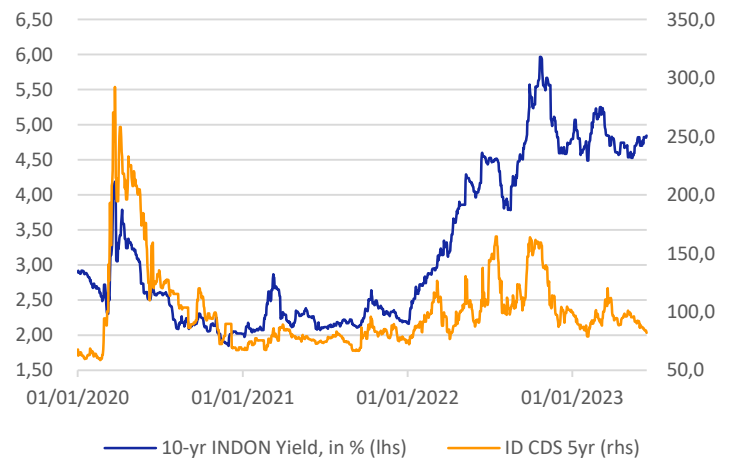
Source: Bloomberg

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



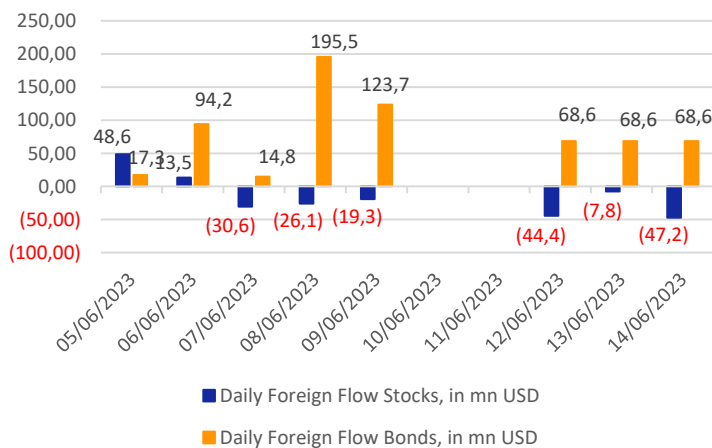
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



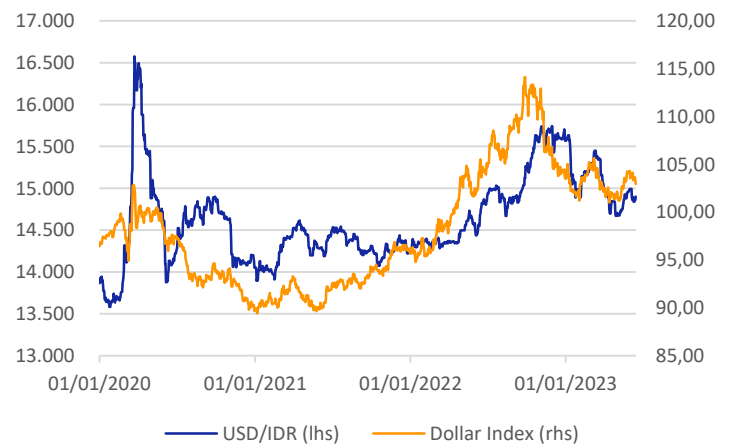
Source: Bloomberg

Chart 5. Foreign Capital Flow Indicator



Source: Bloomberg

Chart 6. Exchange Rate Indicator



Source: Bloomberg

# Daily Economic & Fixed Income Report

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Economic & Fixed Income Analysis

15 June 2023

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