

## Economic and Fixed Income Indicators

Currencies	6/15/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.09	1.1	2.4	2.2
GBP/USD	1.28	0.9	2.8	5.8
AUD/USD	0.69	1.3	5.9	1.1
USD/CHF	0.89	(1.0)	(2.1)	(3.5)
USD/JPY	140.3	0.1	0.7	7.0
Dollar Index	102.1	(0.8)	(2.1)	(1.4)
Bloomberg Asia Dollar Index	93.0	0.1	0.5	(1.7)
USD/KRW	1,280	0.2	(3.5)	1.2
USD/SGD	1.34	(0.4)	(1.1)	(0.2)
USD/CNY	7.12	(0.6)	0.2	3.2
USD/INR	82.2	0.1	(0.7)	(0.7)
USD/IDR	14,945	0.3	(0.3)	(4.0)
USD/IDR 1 Month NDF	14,928	0.1	(0.4)	(3.9)
USD/MYR	4.63	0.1	0.3	5.0
USD/THB	34.8	0.4	0.0	0.6
USD/PHP	55.9	(0.0)	(0.4)	0.4
Rates	6/15/2023	Daily (bp)	MTD (bp)	YTD (bp)
US Treasuries 10-Year	3.72	(7.0)	7.4	(15.8)
Germany Bund 10-Year	2.50	5.2	22.2	(6.7)
Japan JGB 10-Year	0.43	(0.2)	(0.7)	0.7
LIBOR Overnight	5.07	0.0	0.2	74.7
LIBOR 1-Month	5.16	0.0	(3.5)	76.7
Indonesia INDOGB 10-Year	6.30	3.8	(7.5)	(64.5)
Indonesia INDOGB 5-Year	5.90	3.2	(12.6)	(30.2)
Indonesia INDOGB 2-Year	5.81	7.6	15.6	(26.7)
INDOGB-UST (bp)	257.85	10.8	(14.9)	(48.7)
Indonesia INDON 10-Year	4.85	0.5	14.8	5.3
Indonesia INDON 5-Year	4.83	1.0	19.8	14.8
Indonesia INDON 2-Year	5.16	2.2	16.6	36.8
INDON-UST (bp)	113.25	7.5	7.4	21.1
Indonesia Corporate AAA 10-Year	7.13	6.6	1.5	(62.2)
Indonesia Corporate AAA 5-Year	6.63	5.0	(4.7)	(17.3)
Indonesia Corporate AAA 2-Year	6.44	8.8	21.7	(4.0)
INDONIA	5.59	0.7	(3.7)	56.6
JIBOR 1-Month	6.40	0.4	(0.4)	19.6
Bond Indexes	6/15/2023	Daily (%)	MTD (%)	YTD (%)
S&P Global Bond Developed Index	179.3	0.1	(0.5)	2.0
EMBI Global Index	793.3	0.2	1.4	3.3
iShare USD EMBI Index	85.5	0.1	1.1	0.9
ICBI Index	366.7	(0.1)	0.9	6.4
IDMA Index	101.4	(0.0)	1.1	4.1
INDOBeX Government Bond Index	359.1	(0.1)	0.9	6.5
INDOBeX Corporate Bond Index	410.3	(0.0)	0.5	4.6
Prices	6/15/2023	Daily (%)	MTD (%)	YTD (%)
ID CDS 5-Year	82.3	0.4	(7.3)	(17.3)
JCI	6,714	0.2	1.2	(2.0)
S&P-Goldman Sachs Commodity Index	547.5	1.3	3.5	(10.3)
FR0095	102.24	(0.1)	0.6	3.1
FR0096	105.17	(0.3)	0.6	4.6
FR0097	106.71	(0.2)	1.5	6.5
FR0098	106.35	(0.2)	1.1	5.8

Source: Bloomberg, SSI Research

## Trade balance surplus freefall sparks concerns on current account deficit

The domestic bond market experienced a massive selloff yesterday (6/15) following the release of unexpected export-import data. The decline in May's trade balance surplus from USD 3.9bn to USD 0.4bn fueled market concerns over the possibility of an unmanageable current account deficit. Thus, the yields on INDOGB (all tenors) went up, including the 2Y (8 bps to 5.81%), 5Y (3 bps to 5.9%), and 10Y (4 bps to 6.3%). In our opinion, the drop in trade surplus, which was caused by post-Eid manufacturing and investment rally, is only temporary. (see [post-eid manufacturing rally put pressure on trade balance surplus](#)). Thus, FY23 current account will remain stable at -0.1% of GDP. We advise investors to wait for the market to calm down from this shock. We project the INDOGB 10Y yield to decline to 6.3-6.4%, while rupiah might depreciate to IDR 14,900-15,000 per USD..

**Fixed Income News: The Ministry of Finance conducted private placement of SBSN to support PPS.** As part of the voluntary tax disclosure program (PPS), the government issued PBS035 with a 19-year tenor yesterday (6/15), an annual coupon of 6.75% (half-yearly payment scheme) and a yield of 6.58% (Market yield: 6.73%). (DJPPR)

**Global Economic News: The ECB hints at another rate hike in July.** As widely expected, the European Central Bank (ECB) raised its benchmark interest rate by 25 bps to 4.25% for the lending rate (MLR), 3.5% for the deposit rate (DFR), and 4% for the refinancing rate (Apr MRO: 3.75%; Cons May MROs: 4%). In addition, ECB Governor Christine Lagarde announced plans for a further 25 bps hike in July. However, the announcement is not surprising, since it confirmed the results of a survey conducted on ECB market participants in May. We believe the statement was made since the ECB is still in doubt whether it is necessary to raise its terminal interest rate by at least 1X25 bps in September. We are taking a wait-and-see stance on the direction of the ECB's policy, and we will monitor developments on inflation data in the coming months. (Bloomberg)

**Domestic Economic News: Indonesia's external debt-to-GDP ratio fell to 29.8% in April (Mar: 30.1%).** The figure reflects a drop in external debt to USD 403.1bn (Mar: USD 403.3bn). Private external debt decreased slightly to USD 199.6bn (Mar: USD 199.9bn). Meanwhile, the government's external debt rose to USD 194.1bn (Mar: USD 194bn). In our opinion, Indonesia's external debt is relatively under control. (Bank 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
06/16/2023	JN	BOJ Policy Balance Rate	16-Jun	-0.10%	-0.10%
06/16/2023	JN	BOJ 10-Yr Yield Target	16-Jun	0.00%	0.00%
06/16/2023 21:00	US	U. of Mich. Sentiment	Jun P	60.10	59.20
06/16/2023 21:00	US	U. of Mich. 1 Yr Inflation	Jun P	4.10%	4.20%

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

16 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	3.6%	4.6%	100.40	(105.96)	Expensive	0.08
2	FR39	8/24/2006	8/15/2023	0.17	11.8%	101.16	4.1%	4.6%	101.17	(56.64)	Expensive	0.17
3	FR70	8/29/2013	3/15/2024	0.75	8.4%	102.05	5.5%	4.8%	102.64	72.31	Cheap	0.73
4	FR77	9/27/2018	5/15/2024	0.92	8.1%	102.21	5.6%	4.8%	102.94	75.06	Cheap	0.89
5	FR44	4/19/2007	9/15/2024	1.25	10.0%	105.41	5.4%	4.9%	106.08	46.43	Cheap	1.19
6	FR81	8/1/2019	6/15/2025	2.00	6.5%	101.45	5.7%	5.2%	102.38	48.27	Cheap	1.89
7	FR40	9/21/2006	9/15/2025	2.25	11.0%	110.92	5.7%	5.3%	111.90	39.29	Cheap	2.04
8	FR84	5/4/2020	2/15/2026	2.67	7.3%	103.10	6.0%	5.5%	104.37	49.51	Cheap	2.44
9	FR86	8/13/2020	4/15/2026	2.84	5.5%	99.78	5.6%	5.5%	99.94	5.92	Cheap	2.62
10	FR56	9/23/2010	9/15/2026	3.25	8.4%	107.54	5.8%	5.6%	108.02	13.64	Cheap	2.89
11	FR37	5/18/2006	9/15/2026	3.25	12.0%	118.34	5.7%	5.6%	118.66	6.11	Cheap	2.79
12	FR90	7/8/2021	4/15/2027	3.84	5.1%	98.16	5.7%	5.8%	97.74	(12.42)	Expensive	3.47
13	FR59	9/15/2011	5/15/2027	3.92	7.0%	103.81	5.9%	5.8%	104.12	8.12	Cheap	3.45
14	FR42	1/25/2007	7/15/2027	4.08	10.3%	115.29	6.0%	5.8%	115.80	11.62	Cheap	3.39
15	FR94	3/4/2022	1/15/2028	4.59	5.6%	98.31	6.0%	5.9%	98.64	8.46	Cheap	4.03
16	FR47	8/30/2007	2/15/2028	4.67	10.0%	116.90	5.8%	6.0%	116.28	(15.80)	Expensive	3.84
17	FR64	8/13/2012	5/15/2028	4.92	6.1%	100.82	5.9%	6.0%	100.52	(7.27)	Expensive	4.26
18	FR95	8/19/2022	8/15/2028	5.17	6.4%	102.23	5.9%	6.0%	101.47	(17.51)	Expensive	4.43
19	FR99	1/27/2023	1/15/2029	5.59	6.4%	101.79	6.0%	6.1%	101.40	(8.48)	Expensive	4.70
20	FR71	9/12/2013	3/15/2029	5.75	9.0%	114.35	6.0%	6.1%	113.79	(11.82)	Expensive	4.64
21	FR78	9/27/2018	5/15/2029	5.92	8.3%	110.84	6.0%	6.1%	110.34	(10.31)	Expensive	4.78
22	FR52	8/20/2009	8/15/2030	7.17	10.5%	123.72	6.3%	6.3%	124.15	5.52	Cheap	5.32
23	FR82	8/1/2019	9/15/2030	7.26	7.0%	104.06	6.3%	6.3%	104.17	1.49	Cheap	5.78
24	FRSDG1	10/27/2022	10/15/2030	7.34	7.4%	105.13	6.5%	6.3%	106.35	19.88	Cheap	5.71
25	FR87	8/13/2020	2/15/2031	7.68	6.5%	101.22	6.3%	6.3%	101.15	(1.38)	Expensive	6.08
26	FR85	5/4/2020	4/15/2031	7.84	7.8%	108.78	6.3%	6.3%	108.73	(1.20)	Expensive	5.97
27	FR73	8/6/2015	5/15/2031	7.92	8.8%	115.23	6.3%	6.3%	114.92	(5.24)	Expensive	5.92
28	FR54	7/22/2010	7/15/2031	8.09	9.5%	120.40	6.2%	6.3%	119.77	(9.58)	Expensive	5.89
29	FR91	7/8/2021	4/15/2032	8.84	6.4%	100.76	6.3%	6.4%	99.93	(12.56)	Expensive	6.76
30	FR58	7/21/2011	6/15/2032	9.01	8.3%	112.48	6.4%	6.4%	112.56	0.72	Cheap	6.61
31	FR74	11/10/2016	8/15/2032	9.18	7.5%	108.39	6.3%	6.4%	107.52	(12.48)	Expensive	6.78
32	FR96	8/19/2022	2/15/2033	9.68	7.0%	105.14	6.3%	6.4%	104.07	(14.93)	Expensive	7.14
33	FR65	8/30/2012	5/15/2033	9.92	6.6%	102.32	6.3%	6.4%	101.34	(13.59)	Expensive	7.34
34	FR68	8/1/2013	3/15/2034	10.76	8.4%	115.70	6.3%	6.5%	114.55	(14.09)	Expensive	7.47
35	FR80	7/4/2019	6/15/2035	12.01	7.5%	109.13	6.4%	6.5%	108.08	(12.18)	Expensive	8.21
36	FR72	7/9/2015	5/15/2036	12.93	8.3%	115.35	6.5%	6.5%	114.71	(7.03)	Expensive	8.38
37	FR88	1/7/2021	6/15/2036	13.01	6.3%	99.36	6.3%	6.5%	97.42	(22.48)	Expensive	8.98
38	FR45	5/24/2007	5/15/2037	13.93	9.8%	126.55	6.8%	6.6%	128.72	20.01	Cheap	8.41
39	FR93	1/6/2022	7/15/2037	14.09	6.4%	100.35	6.3%	6.6%	98.18	(23.81)	Expensive	9.31
40	FR75	8/10/2017	5/15/2038	14.93	7.5%	109.48	6.5%	6.6%	108.54	(9.56)	Expensive	9.32
41	FR98	9/15/2022	6/15/2038	15.01	7.1%	106.17	6.5%	6.6%	105.01	(11.85)	Expensive	9.51
42	FR50	1/24/2008	7/15/2038	15.09	10.5%	135.88	6.7%	6.6%	136.96	8.82	Cheap	8.66
43	FR79	1/7/2019	4/15/2039	15.84	8.4%	117.52	6.6%	6.6%	117.17	(3.52)	Expensive	9.36
44	FR83	11/7/2019	4/15/2040	16.85	7.5%	108.86	6.6%	6.6%	108.78	(0.92)	Expensive	9.89
45	FR57	4/21/2011	5/15/2041	17.93	9.5%	129.50	6.7%	6.6%	129.68	1.16	Cheap	9.79
46	FR62	2/9/2012	4/15/2042	18.85	6.4%	97.75	6.6%	6.7%	97.01	(7.12)	Expensive	10.88
47	FR92	7/8/2021	6/15/2042	19.01	7.1%	105.49	6.6%	6.7%	105.00	(4.44)	Expensive	10.78
48	FR97	8/19/2022	6/15/2043	20.01	7.1%	106.72	6.5%	6.7%	105.00	(15.05)	Expensive	11.11
49	FR67	7/18/2013	2/15/2044	20.68	8.8%	118.72	7.0%	6.7%	123.07	34.20	Cheap	10.52
50	FR76	9/22/2017	5/15/2048	24.93	7.4%	107.08	6.8%	6.7%	107.95	6.77	Cheap	11.92
51	FR89	1/7/2021	8/15/2051	28.19	6.9%	101.61	6.7%	6.7%	101.76	1.08	Cheap	12.67

# Daily Economic & Fixed Income Report

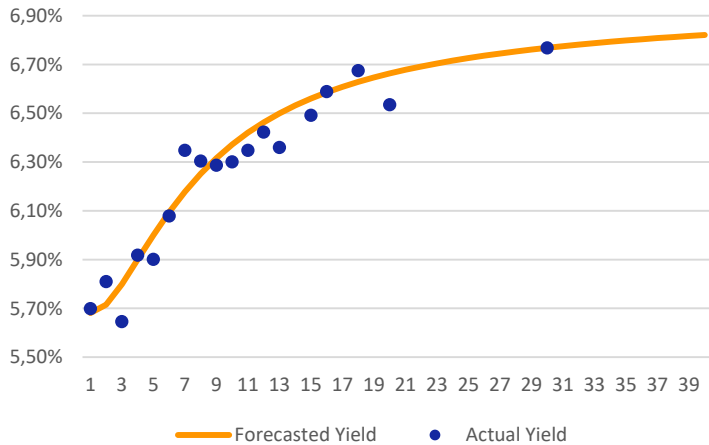
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Economic & Fixed Income Analysis

16 June 2023

Chart 1. Samuel's Yield Curve Forecast



Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



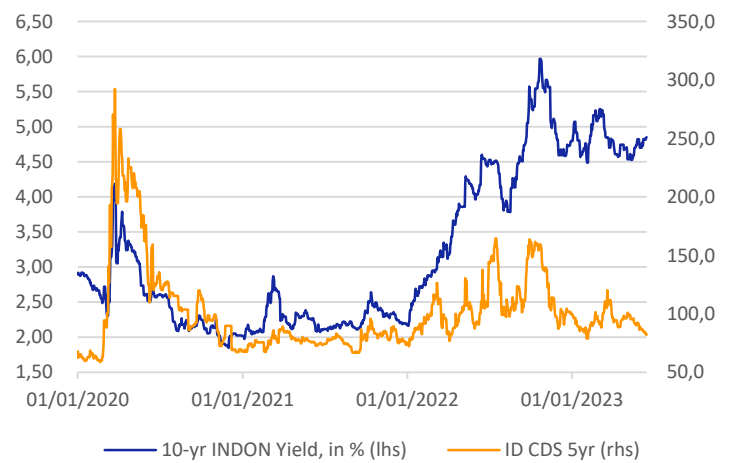
Source: Bloomberg

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



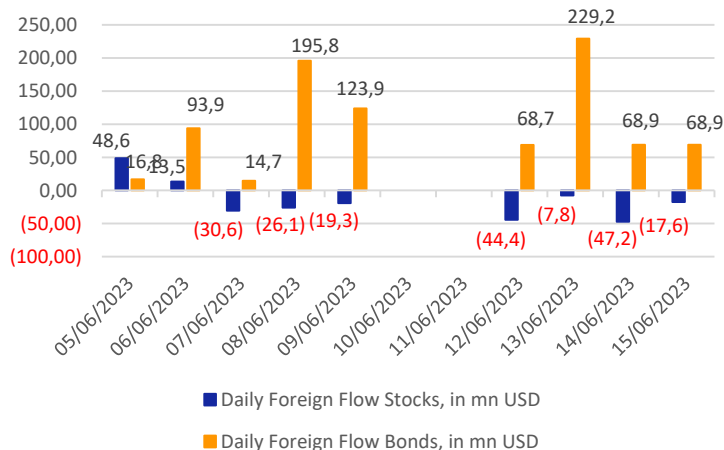
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



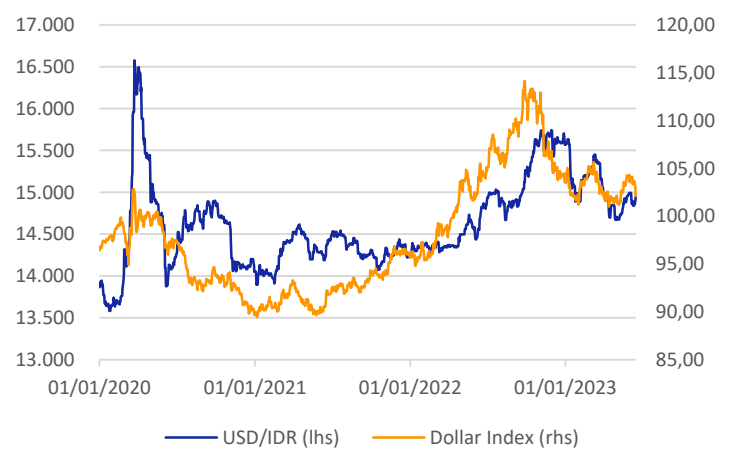
Source: Bloomberg

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

16 June 2023

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