Economic and Fixed Income Indicators

Currencies	6/19/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.09	(0.1)	2.2	2.0
GBP/USD	1.28	(0.2)	2.8	5.9
AUD/USD	0.69	(0.3)	5.4	0.6
USD/CHF	0.90	0.2	(1.6)	(3.1)
USD/JPY	142.0	0.1	1.9	8.3
Dollar Index	102.5	0.3	(1.7)	(1.0)
Bloomberg Asia Dollar Index	92.8	(0.4)	0.3	(1.9)
USD/KRW	1,282	0.8	(3.4)	1.3
USD/SGD	1.34	0.3	(0.8)	0.1
USD/CNY	7.16	0.5	0.8	3.8
USD/INR	81.9	0.0	(0.9)	(1.0)
USD/IDR	14,995	0.4	0.0	(3.7)
USD/IDR 1 Month NDF	15,015	0.4	0.1	(3.3)
USD/MYR	4.63	0.3	0.4	5.1
USD/THB	34.8	0.4	(0.0)	0.5
USD/PHP	55.7	(0.2)	(0.8)	0.0
Rates	**6/19/2023**	**Daily (bp)**	**MTD (bp)**	**YTD (bp)**
US Treasuries 10-Year	3.76	0.0	11.9	(11.4)
Germany Bund 10-Year	2.52	4.3	23.5	(5.4)
Japan JGB 10-Year	0.40	(1.2)	(3.6)	(2.2)
LIBOR Overnight	5.07	0.0	0.1	74.7
LIBOR 1-Month	5.16	0.0	(3.6)	76.5
Indonesia INDOGB 10-Year	6.33	3.1	(4.1)	(61.1)
Indonesia INDOGB 5-Year	5.91	1.7	(11.5)	(29.1)
Indonesia INDOGB 2-Year	5.85	5.6	19.6	(22.7)
INDOGB-UST (bp)	256.77	3.1	(16.0)	(49.8)
Indonesia INDON 10-Year	4.80	0.0	9.8	0.3
Indonesia INDON 5-Year	4.78	0.0	14.8	9.8
Indonesia INDON 2-Year	5.12	0.0	12.3	32.5
INDON-UST (bp)	103.77	0.0	(2.1)	11.7
Indonesia Corporate AAA 10-Year	7.19	3.1	7.7	(56.0)
Indonesia Corporate AAA 5-Year	6.66	1.7	(1.8)	(14.4)
Indonesia Corporate AAA 2-Year	6.50	5.6	26.8	1.2
INDONIA	5.64	10.0	1.8	62.1
JIBOR 1-Month	6.40	0.4	(0.4)	19.6
Bond Indexes	**6/19/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
S&P Global Bond Developed Index	179.5	0.0	(0.4)	2.0
EMBI Global Index	793.8	0.0	1.4	3.3
iShare USD EMBI Index	85.5	0.0	1.1	1.0
ICBI Index	366.3	(0.1)	0.7	6.2
IDMA Index	101.1	(1.1)	0.8	3.8
INDOBeX Government Bond Index	358.7	(0.1)	0.8	6.4
INDOBeX Corporate Bond Index	410.3	(0.0)	0.5	4.6
Prices	**6/19/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
ID CDS 5-Year	83.2	0.3	(6.3)	(16.4)
JCI	6,686	(0.2)	0.8	(2.4)
S&P-Goldman Sachs Commodity Index	556.6	0.0	5.2	(8.8)
FR0095	102.18	(0.1)	0.6	3.1
FR0096	104.95	(0.2)	0.4	4.4
FR0097	106.17	(0.5)	1.0	6.0
FR0098	105.86	(0.3)	0.6	5.4

Source: Bloomberg, SSI Research

SBSN auction is overshadowed by China's fiscal stimulus postponement

As we previously expected, the sell-off on the domestic bond market continued yesterday (6/19). This was reflected in the decline in the ICBI (-0.1%) and IDMA (-1.1%), followed by the hike in INDOGB yields. The short-term INDOGB (2Y) saw the biggest hike in yield (6 bps to 5.85%), followed by 10Y (3 bps to 6.33%) and 5Y (2 bps to 5.91%). We expect to see a rebound in the secondary market today, thanks to the SBSN auction (see Fixed Income News). However, there's a downside risk from the Chinese government's decision to take a more cautious stance in providing fiscal stimulus, especially for China's property and construction sectors. We expect the INDOGB 10Y yield to move sideways today at 6.3-4%, while rupiah might decline towards IDR 14,950-15,050 per USD.

Fixed Income News: The Ministry of Finance will still limit the issuance of new bonds at today's SBSN auction. This is reflected in the indicative target of IDR 7tn. According to our estimate, the supply of new SUNs this year will only reach IDR 687tn, lower than in 2017 (IDR 719tn). We expect to see high demand in the auction (IDR 55-60tn).(*DJPPR*)

Global Economic News: ECB officials signaled a July rate hike, but dismissed speculation of a September rate hike. The signal was given by several European Central Bank (ECB) officials, including Peter Kazimir, Yannis Stournaras, Luis de Guindos and Gediminas Simkus. They emphasized the need to evaluate inflation and employment data in the coming months before making a decision about the terminal rate. (*Reuters*)

Domestic Economic News: 2W sales grew 113.4% yoy in May (Apr: -19.4% yoy). The three-digit growth was mainly caused by low base effect from the Eid holiday (248,235 units). Based on the available data, we expect to see double or triple-digit growth until July. (*AISI*)

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

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Economic Calender

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
06/20/2023 08:15	CH	5-Year Loan Prime Rate	20-Jun	4.20%	4.30%
06/20/2023 08:15	CH	1-Year Loan Prime Rate	20-Jun	3.55%	3.65%
06/20/2023 15:00	EC	ECB Current Account SA	Apr	--	31.2b
06/20/2023 16:00	EC	Construction Output YoY	Apr	--	-1.50%

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	FR46	7/19/2007	7/15/2023	0.07	9.5%	100.29	5.0%	4.8%	100.35	19.74	Cheap	0.07
2	FR39	8/24/2006	8/15/2023	0.16	11.8%	101.14	4.0%	4.8%	101.09	(74.87)	Expensive	0.16
3	FR70	8/29/2013	3/15/2024	0.74	8.4%	102.04	5.5%	4.9%	102.54	63.26	Cheap	0.73
4	FR77	9/27/2018	5/15/2024	0.91	8.1%	102.16	5.6%	4.9%	102.84	72.29	Cheap	0.88
5	FR44	4/19/2007	9/15/2024	1.25	10.0%	105.41	5.4%	5.0%	105.96	38.91	Cheap	1.18
6	FR81	8/1/2019	6/15/2025	1.99	6.5%	101.37	5.8%	5.3%	102.32	50.34	Cheap	1.88
7	FR40	9/21/2006	9/15/2025	2.25	11.0%	110.98	5.7%	5.3%	111.84	34.67	Cheap	2.03
8	FR84	5/4/2020	2/15/2026	2.67	7.3%	103.06	6.0%	5.5%	104.37	51.36	Cheap	2.43
9	FR86	8/13/2020	4/15/2026	2.83	5.5%	99.53	5.7%	5.5%	99.96	16.37	Cheap	2.61
10	FR56	9/23/2010	9/15/2026	3.25	8.4%	107.45	5.8%	5.6%	108.05	18.38	Cheap	2.89
11	FR37	5/18/2006	9/15/2026	3.25	12.0%	118.18	5.8%	5.6%	118.67	12.62	Cheap	2.78
12	FR90	7/8/2021	4/15/2027	3.83	5.1%	98.05	5.7%	5.8%	97.84	(6.60)	Expensive	3.46
13	FR59	9/15/2011	5/15/2027	3.91	7.0%	103.87	5.9%	5.8%	104.21	9.30	Cheap	3.44
14	FR42	1/25/2007	7/15/2027	4.08	10.3%	115.33	5.9%	5.8%	115.89	13.42	Cheap	3.39
15	FR94	3/4/2022	1/15/2028	4.58	5.6%	98.31	6.0%	5.9%	98.78	11.92	Cheap	4.02
16	FR47	8/30/2007	2/15/2028	4.67	10.0%	116.68	5.8%	5.9%	116.41	(7.37)	Expensive	3.83
17	FR64	8/13/2012	5/15/2028	4.91	6.1%	100.67	6.0%	6.0%	100.68	0.07	Cheap	4.25
18	FR95	8/19/2022	8/15/2028	5.16	6.4%	102.18	5.9%	6.0%	101.63	(12.66)	Expensive	4.42
19	FR99	1/27/2023	1/15/2029	5.58	6.4%	101.66	6.0%	6.1%	101.59	(1.63)	Expensive	4.69
20	FR71	9/12/2013	3/15/2029	5.75	9.0%	114.41	6.0%	6.1%	113.98	(9.05)	Expensive	4.64
21	FR78	9/27/2018	5/15/2029	5.91	8.3%	110.54	6.1%	6.1%	110.53	(0.63)	Expensive	4.77
22	FR52	8/20/2009	8/15/2030	7.16	10.5%	123.81	6.3%	6.2%	124.40	8.16	Cheap	5.31
23	FR82	8/1/2019	9/15/2030	7.25	7.0%	103.95	6.3%	6.2%	104.41	7.55	Cheap	5.77
24	FRSDG1	10/27/2022	10/15/2030	7.33	7.4%	105.13	6.5%	6.2%	106.59	24.00	Cheap	5.70
25	FR87	8/13/2020	2/15/2031	7.67	6.5%	100.89	6.3%	6.3%	101.40	8.19	Cheap	6.06
26	FR85	5/4/2020	4/15/2031	7.83	7.8%	108.80	6.3%	6.3%	108.99	2.52	Cheap	5.96
27	FR73	8/6/2015	5/15/2031	7.91	8.8%	115.12	6.3%	6.3%	115.18	0.50	Cheap	5.91
28	FR54	7/22/2010	7/15/2031	8.08	9.5%	118.54	6.5%	6.3%	120.04	21.10	Cheap	5.86
29	FR91	7/8/2021	4/15/2032	8.83	6.4%	100.45	6.3%	6.3%	100.21	(3.79)	Expensive	6.75
30	FR58	7/21/2011	6/15/2032	9.00	8.3%	112.48	6.4%	6.4%	112.85	4.78	Cheap	6.60
31	FR74	11/10/2016	8/15/2032	9.17	7.5%	108.34	6.3%	6.4%	107.81	(7.65)	Expensive	6.77
32	FR96	8/19/2022	2/15/2033	9.67	7.0%	104.95	6.3%	6.4%	104.36	(8.30)	Expensive	7.13
33	FR65	8/30/2012	5/15/2033	9.92	6.6%	102.32	6.3%	6.4%	101.63	(9.52)	Expensive	7.33
34	FR68	8/1/2013	3/15/2034	10.75	8.4%	115.70	6.3%	6.4%	114.88	(10.08)	Expensive	7.46
35	FR80	7/4/2019	6/15/2035	12.00	7.5%	109.01	6.4%	6.5%	108.42	(6.82)	Expensive	8.20
36	FR72	7/9/2015	5/15/2036	12.92	8.3%	115.22	6.5%	6.5%	115.08	(1.72)	Expensive	8.37
37	FR88	1/7/2021	6/15/2036	13.00	6.3%	99.21	6.3%	6.5%	97.75	(16.82)	Expensive	8.97
38	FR45	5/24/2007	5/15/2037	13.92	9.8%	126.23	6.8%	6.5%	129.13	27.01	Cheap	8.39
39	FR93	1/6/2022	7/15/2037	14.08	6.4%	100.33	6.3%	6.5%	98.54	(19.65)	Expensive	9.30
40	FR75	8/10/2017	5/15/2038	14.92	7.5%	109.16	6.5%	6.6%	108.92	(2.55)	Expensive	9.31
41	FR98	9/15/2022	6/15/2038	15.00	7.1%	105.86	6.5%	6.6%	105.39	(4.85)	Expensive	9.50
42	FR50	1/24/2008	7/15/2038	15.08	10.5%	135.85	6.7%	6.6%	137.41	12.93	Cheap	8.65
43	FR79	1/7/2019	4/15/2039	15.84	8.4%	117.36	6.6%	6.6%	117.59	1.86	Cheap	9.34
44	FR83	11/7/2019	4/15/2040	16.84	7.5%	108.70	6.6%	6.6%	109.19	4.41	Cheap	9.88
45	FR57	4/21/2011	5/15/2041	17.92	9.5%	129.50	6.7%	6.6%	130.16	4.98	Cheap	9.79
46	FR62	2/9/2012	4/15/2042	18.84	6.4%	97.75	6.6%	6.6%	97.42	(3.29)	Expensive	10.87
47	FR92	7/8/2021	6/15/2042	19.01	7.1%	105.54	6.6%	6.6%	105.43	(1.05)	Expensive	10.77
48	FR97	8/19/2022	6/15/2043	20.01	7.1%	106.17	6.6%	6.6%	105.43	(6.51)	Expensive	11.07
49	FR67	7/18/2013	2/15/2044	20.68	8.8%	120.38	6.9%	6.6%	123.56	24.68	Cheap	10.58
50	FR76	9/22/2017	5/15/2048	24.93	7.4%	106.75	6.8%	6.7%	108.43	13.20	Cheap	11.90
51	FR89	1/7/2021	8/15/2051	28.18	6.9%	101.48	6.8%	6.7%	102.24	5.88	Cheap	12.65

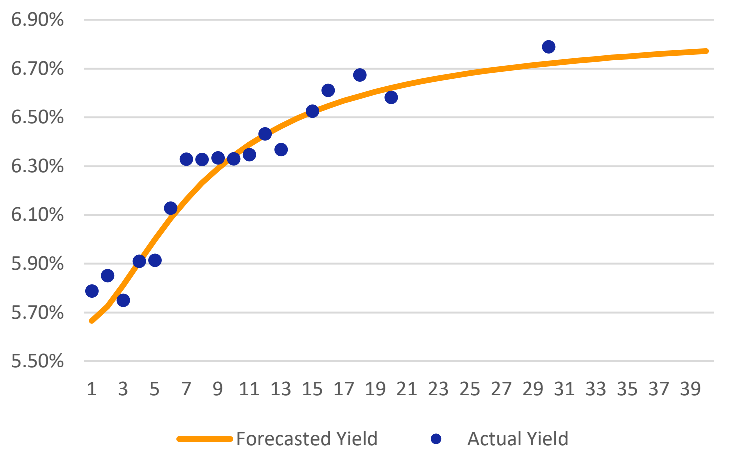
Daily Economic & Fixed Income Report

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

Economic & Fixed Income Analysis

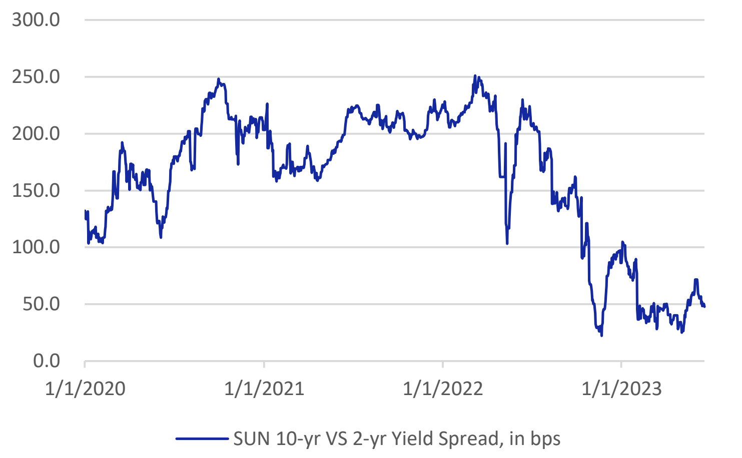
20 June 2023

Chart 1. Samuel's Yield Curve Forecast



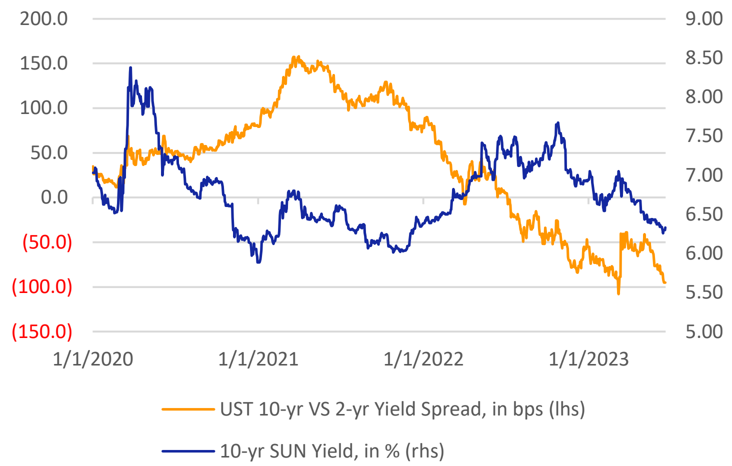
Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



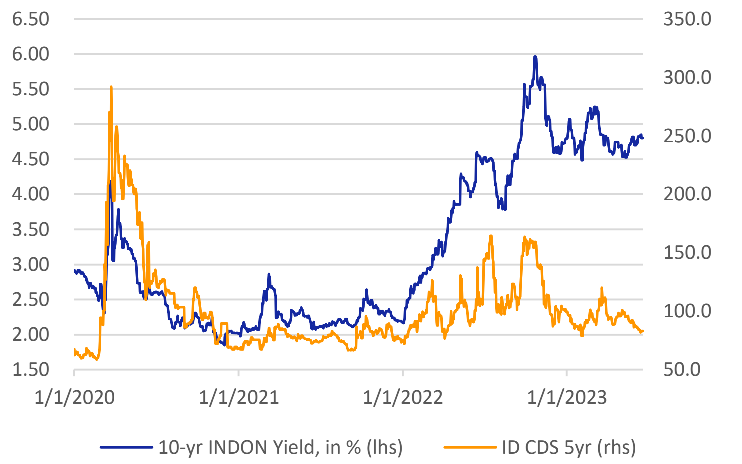
Source: Bloomberg

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



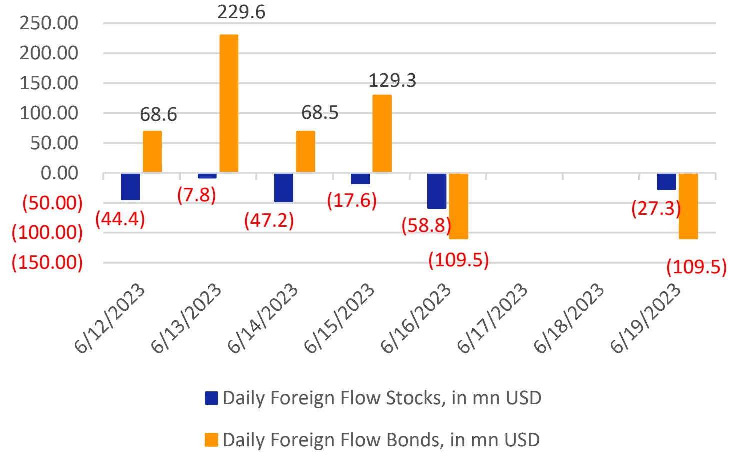
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



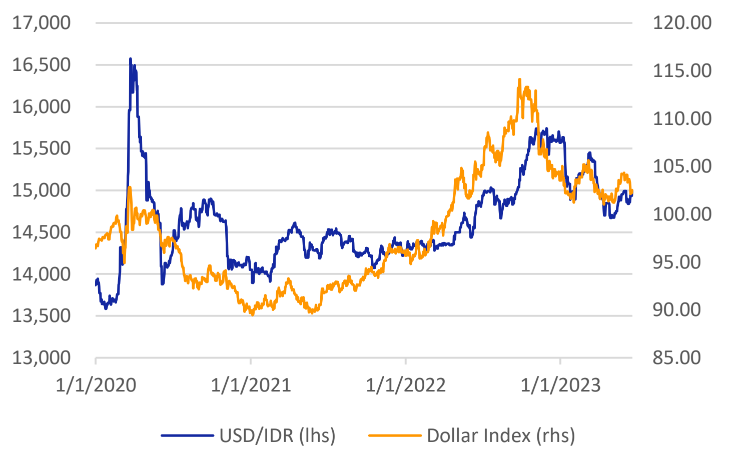
Source: Bloomberg

Chart 5. Foreign Capital Flow Indicator



Source: Bloomberg

Chart 6. Exchange Rate Indicator



Source: Bloomberg

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