

Economic and Fixed Income Indicators

Currencies	6/22/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.10	(0.3)	2.5	2.3
GBP/USD	1.27	(0.2)	2.5	5.5
AUD/USD	0.68	(0.6)	3.9	(0.8)
USD/CHF	0.89	0.2	(1.7)	(3.2)
USD/JPY	143.1	0.9	2.7	9.1
Dollar Index	102.4	0.3	(1.9)	(1.1)
Bloomberg Asia Dollar Index	92.4	(0.1)	(0.1)	(2.3)
USD/KRW	1,295	0.2	(2.4)	2.3
USD/SGD	1.35	0.3	(0.5)	0.4
USD/CNY	7.18	0.0	1.0	4.1
USD/INR	82.0	(0.1)	(0.9)	(0.9)
USD/IDR	14,940	(0.0)	(0.4)	(4.0)
USD/IDR 1 Month NDF	14,954	0.0	(0.3)	(3.7)
USD/MYR	4.65	0.2	0.9	5.7
USD/THB	35.0	0.6	0.7	1.3
USD/PHP	55.6	(0.0)	(1.0)	(0.2)
Rates	6/22/2023	Daily (bp)	MTD (bp)	YTD (bp)
US Treasuries 10-Year	3.79	7.6	15.2	(8.0)
Germany Bund 10-Year	2.49	5.9	21.2	(7.7)
Japan JGB 10-Year	0.38	(0.3)	(5.7)	(4.3)
LIBOR Overnight	5.06	0.0	(0.1)	74.5
LIBOR 1-Month	5.15	0.0	(4.5)	75.6
Indonesia INDOGB 10-Year	6.29	(2.2)	(8.1)	(65.1)
Indonesia INDOGB 5-Year	5.95	(0.2)	(7.7)	(25.3)
Indonesia INDOGB 2-Year	5.86	0.2	21.0	(21.3)
INDOGB-UST (bp)	249.44	(9.8)	(23.3)	(57.1)
Indonesia INDON 10-Year	4.80	(0.6)	10.0	0.5
Indonesia INDON 5-Year	4.80	0.4	15.9	10.9
Indonesia INDON 2-Year	5.20	1.8	20.5	40.7
INDON-UST (bp)	100.64	(8.2)	(5.2)	8.5
Indonesia Corporate AAA 10-Year	7.21	0.7	9.6	(54.1)
Indonesia Corporate AAA 5-Year	6.73	1.1	4.6	(7.9)
Indonesia Corporate AAA 2-Year	6.51	0.4	28.7	3.1
INDONIA	5.63	0.0	(0.1)	60.1
JIBOR 1-Month	6.39	(0.1)	(1.1)	18.9
Bond Indexes	6/22/2023	Daily (%)	MTD (%)	YTD (%)
S&P Global Bond Developed Index	179.3	(0.3)	(0.5)	1.9
EMBI Global Index	795.1	0.0	1.6	3.5
iShare USD EMBI Index	85.7	(0.0)	1.3	1.1
ICBI Index	366.5	0.0	0.8	6.3
IDMA Index	101.1	0.0	0.8	3.8
INDOBeX Government Bond Index	358.8	0.0	0.8	6.4
INDOBeX Corporate Bond Index	410.2	0.0	0.5	4.6
Prices	6/22/2023	Daily (%)	MTD (%)	YTD (%)
ID CDS 5-Year	85.3	0.6	(4.0)	(14.4)
JCI	6,652	(0.8)	0.3	(2.9)
S&P-Goldman Sachs Commodity Index	548.1	(2.0)	3.6	(10.2)
FR0095	102.00	0.0	0.4	2.9
FR0096	105.22	0.1	0.6	4.7
FR0097	105.86	0.1	0.7	5.7
FR0098	106.04	0.1	0.8	5.5

Source: Bloomberg, SSI Research

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Economic Calendar

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
06/23/2023 06:30	JN	Natl CPI YoY	May	3.20%	3.50%
06/23/2023 06:30	JN	Natl CPI Ex Fresh Food, Energy YoY	May	4.20%	4.10%
06/23/2023 15:00	EC	HCOB Eurozone Manufacturing PMI	Jun P	44.80	44.80
06/23/2023 20:45	US	S&P Global US Manufacturing PMI	Jun P	48.50	48.40

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

BOE rate hike shocks the market, while Powell's testimony fuels speculations for 2x25bps FFR hike

The global bond market was shocked by the Bank of England's (BOE) decision to raise its benchmark interest rate by 50 bps to 5%, with another 2X25 bps hike in 3Q23 (see global economic news) as well as growing speculation of Fed's terminal rate hike by 2X25 bps in 2H23. The speculation was sparked by the Fed Chair Jerome Powell's testimony before the United States Congress. As a result, the S&P index for developed bonds fell -0.3% last night (6/22). The UST and Bund 10Y yields rose 8 and 6 bps to 3.79% and 2.49%, respectively. This could put pressure on the domestic bond market (10Y INDOGB yield slipped -2bps to 6.29% on Thursday (6/22). We expect the 10Y INDOGB yield to stay within the range of 6.3-4% today. Meanwhile, rupiah might depreciate further, though we believe that BI will still intervene to maintain exchange rate at IDR 14,900-15,000 per USD.

Fixed Income News: Pefindo downgrades its rating for WSKT's Shelf Registration Bond 3 phase 2 to (id)D. This decision was taken due to PT Waskita Karya's high default potential for payment of bond principal and coupons dated June 16, 2023 within the grace period of 14 working days. PT Perneringkat Efek Indonesia maintains its rating for WSKT's Shelf Registration Bond IV rating at (id)D and WSKT's overall rating at (id)SD. (Pefindo)

Global Economic News: BOE shocks the market with a 50 bps rate hike to 5% (May: 4.5%; Cons Jun: 4.75%). The hike, which was larger than expected, was mainly caused by the release of UK CPI inflation data for May (8.7% yoy; Apr: 8.7% yoy; Cons May: 8.4% yoy). In our opinion, the Bank of England (BOE) will still raise its benchmark interest in 3Q23 by at least 2X25 bps to 5.5% in August and September. (Reuters)

Domestic Economic News: Lackluster 2W EV sales of 800 units (April-June). The figure is far lower than the government subsidy target for FY23 of 200,000 units. According to Aismoli (Indonesian Electric Motorcycle Industry Association), the low sales figure was mainly caused by the very restrictive criteria for the subsidy, which only allows recipients of people's business credit (KUR) recipients, wage subsidy assistance, and electricity subsidies of up to 900 VA to receive the 2W EV subsidy. At the moment, the government has no plans to revise the 2W EV subsidy policy. (Kontan)

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

Daily Economic & Fixed Income Report

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Economic & Fixed Income Analysis

23 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	0.06	9.5%	100.27	3.8%	4.8%	100.30	(93.01)	Expensive	0.06
2	FR39	8/24/2006	8/15/2023	0.15	11.8%	101.12	3.3%	4.8%	101.02	(144.41)	Expensive	0.15
3	FR70	8/29/2013	3/15/2024	0.73	8.4%	101.99	5.5%	4.9%	102.50	63.48	Cheap	0.72
4	FR77	9/27/2018	5/15/2024	0.90	8.1%	102.07	5.7%	4.9%	102.80	77.88	Cheap	0.87
5	FR44	4/19/2007	9/15/2024	1.24	10.0%	105.08	5.6%	5.0%	105.92	60.60	Cheap	1.17
6	FR81	8/1/2019	6/15/2025	1.98	6.5%	101.30	5.8%	5.3%	102.32	53.70	Cheap	1.87
7	FR40	9/21/2006	9/15/2025	2.24	11.0%	110.82	5.7%	5.3%	111.79	39.13	Cheap	2.02
8	FR84	5/4/2020	2/15/2026	2.65	7.3%	103.23	5.9%	5.5%	104.36	44.02	Cheap	2.42
9	FR86	8/13/2020	4/15/2026	2.82	5.5%	99.41	5.7%	5.5%	99.97	21.48	Cheap	2.60
10	FR56	9/23/2010	9/15/2026	3.24	8.4%	107.41	5.8%	5.6%	108.04	18.84	Cheap	2.88
11	FR37	5/18/2006	9/15/2026	3.24	12.0%	117.92	5.8%	5.6%	118.62	18.18	Cheap	2.77
12	FR90	7/8/2021	4/15/2027	3.82	5.1%	98.19	5.7%	5.8%	97.85	(10.08)	Expensive	3.45
13	FR59	9/15/2011	5/15/2027	3.90	7.0%	103.71	5.9%	5.8%	104.21	13.53	Cheap	3.43
14	FR42	1/25/2007	7/15/2027	4.07	10.3%	114.35	6.2%	5.8%	115.86	37.51	Cheap	3.37
15	FR94	3/4/2022	1/15/2028	4.57	5.6%	98.31	6.0%	5.9%	98.79	12.27	Cheap	4.01
16	FR47	8/30/2007	2/15/2028	4.65	10.0%	116.08	6.0%	5.9%	116.38	5.21	Cheap	3.81
17	FR64	8/13/2012	5/15/2028	4.90	6.1%	100.65	6.0%	6.0%	100.68	0.54	Cheap	4.24
18	FR95	8/19/2022	8/15/2028	5.15	6.4%	102.01	5.9%	6.0%	101.64	(8.62)	Expensive	4.41
19	FR99	1/27/2023	1/15/2029	5.57	6.4%	101.68	6.0%	6.1%	101.59	(1.97)	Expensive	4.68
20	FR71	9/12/2013	3/15/2029	5.73	9.0%	114.27	6.0%	6.1%	113.96	(6.80)	Expensive	4.62
21	FR78	9/27/2018	5/15/2029	5.90	8.3%	110.36	6.1%	6.1%	110.52	2.36	Cheap	4.76
22	FR52	8/20/2009	8/15/2030	7.15	10.5%	123.80	6.3%	6.2%	124.37	7.82	Cheap	5.30
23	FR82	8/1/2019	9/15/2030	7.24	7.0%	104.04	6.3%	6.2%	104.41	5.98	Cheap	5.76
24	FRSDG1	10/27/2022	10/15/2030	7.32	7.4%	104.76	6.5%	6.2%	106.59	30.12	Cheap	5.69
25	FR87	8/13/2020	2/15/2031	7.66	6.5%	101.09	6.3%	6.3%	101.40	4.91	Cheap	6.06
26	FR85	5/4/2020	4/15/2031	7.82	7.8%	108.36	6.4%	6.3%	108.98	9.19	Cheap	5.94
27	FR73	8/6/2015	5/15/2031	7.90	8.8%	115.11	6.3%	6.3%	115.17	0.35	Cheap	5.90
28	FR54	7/22/2010	7/15/2031	8.07	9.5%	120.72	6.2%	6.3%	120.03	(10.48)	Expensive	5.88
29	FR91	7/8/2021	4/15/2032	8.82	6.4%	100.40	6.3%	6.3%	100.21	(3.05)	Expensive	6.74
30	FR58	7/21/2011	6/15/2032	8.99	8.3%	112.44	6.4%	6.4%	112.84	5.11	Cheap	6.59
31	FR74	11/10/2016	8/15/2032	9.16	7.5%	108.31	6.3%	6.4%	107.81	(7.41)	Expensive	6.76
32	FR96	8/19/2022	2/15/2033	9.66	7.0%	105.22	6.3%	6.4%	104.36	(11.92)	Expensive	7.12
33	FR65	8/30/2012	5/15/2033	9.90	6.6%	101.80	6.4%	6.4%	101.64	(2.44)	Expensive	7.31
34	FR68	8/1/2013	3/15/2034	10.74	8.4%	115.01	6.4%	6.4%	114.88	(2.02)	Expensive	7.44
35	FR80	7/4/2019	6/15/2035	11.99	7.5%	108.49	6.5%	6.5%	108.42	(0.95)	Expensive	8.17
36	FR72	7/9/2015	5/15/2036	12.91	8.3%	115.25	6.5%	6.5%	115.07	(2.19)	Expensive	8.36
37	FR88	1/7/2021	6/15/2036	12.99	6.3%	99.23	6.3%	6.5%	97.76	(17.11)	Expensive	8.96
38	FR45	5/24/2007	5/15/2037	13.91	9.8%	124.21	7.0%	6.5%	129.12	46.38	Cheap	8.34
39	FR93	1/6/2022	7/15/2037	14.07	6.4%	99.92	6.4%	6.5%	98.54	(15.16)	Expensive	9.28
40	FR75	8/10/2017	5/15/2038	14.91	7.5%	108.52	6.6%	6.6%	108.92	3.88	Cheap	9.28
41	FR98	9/15/2022	6/15/2038	14.99	7.1%	106.04	6.5%	6.6%	105.39	(6.69)	Expensive	9.49
42	FR50	1/24/2008	7/15/2038	15.07	10.5%	135.97	6.7%	6.6%	137.40	11.77	Cheap	8.64
43	FR79	1/7/2019	4/15/2039	15.82	8.4%	116.97	6.6%	6.6%	117.58	5.38	Cheap	9.32
44	FR83	11/7/2019	4/15/2040	16.83	7.5%	108.43	6.7%	6.6%	109.19	6.89	Cheap	9.86
45	FR57	4/21/2011	5/15/2041	17.91	9.5%	129.50	6.7%	6.6%	130.15	4.87	Cheap	9.78
46	FR62	2/9/2012	4/15/2042	18.83	6.4%	98.29	6.5%	6.6%	97.42	(8.35)	Expensive	10.89
47	FR92	7/8/2021	6/15/2042	18.99	7.1%	104.62	6.7%	6.6%	105.43	7.26	Cheap	10.73
48	FR97	8/19/2022	6/15/2043	19.99	7.1%	105.81	6.6%	6.6%	105.43	(3.44)	Expensive	11.05
49	FR67	7/18/2013	2/15/2044	20.67	8.8%	119.91	6.9%	6.6%	123.56	28.34	Cheap	10.55
50	FR76	9/22/2017	5/15/2048	24.92	7.4%	106.52	6.8%	6.7%	108.43	15.02	Cheap	11.87
51	FR89	1/7/2021	8/15/2051	28.17	6.9%	101.37	6.8%	6.7%	102.24	6.73	Cheap	12.63

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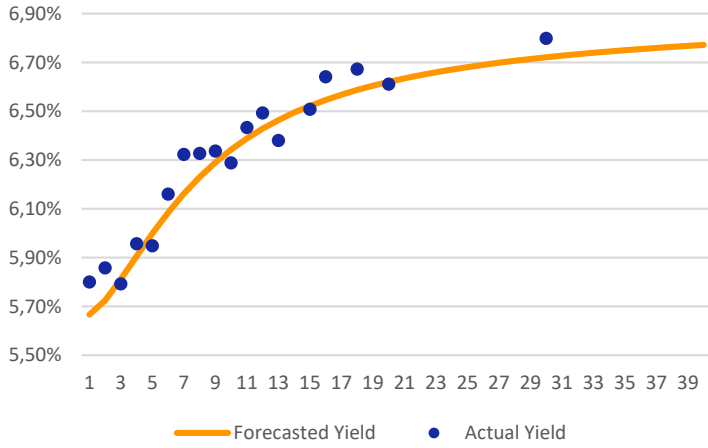
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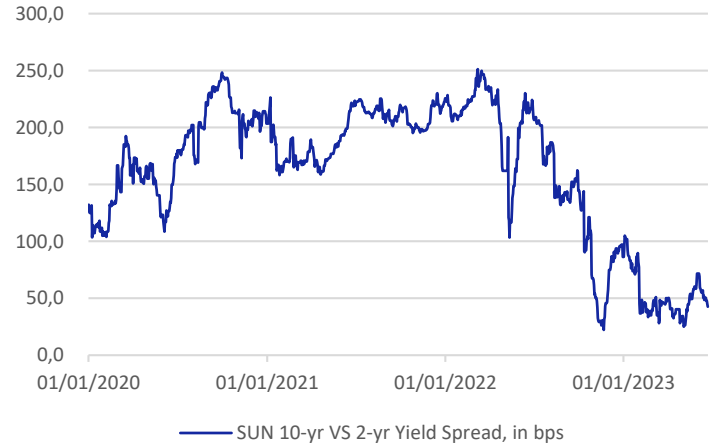
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Chart 1. Samuel's Yield Curve Forecast



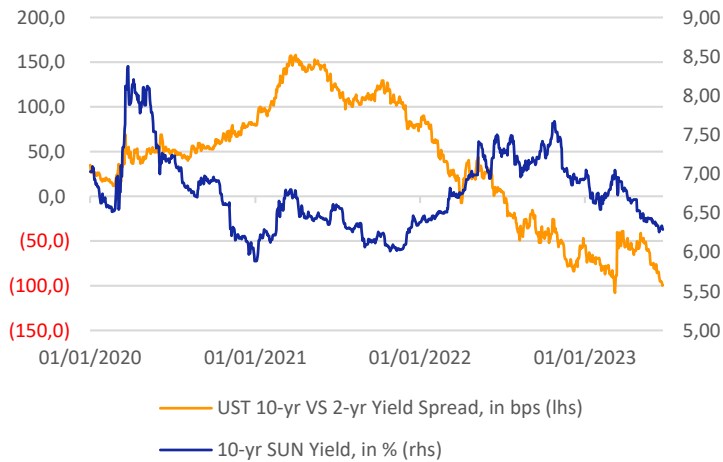
Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



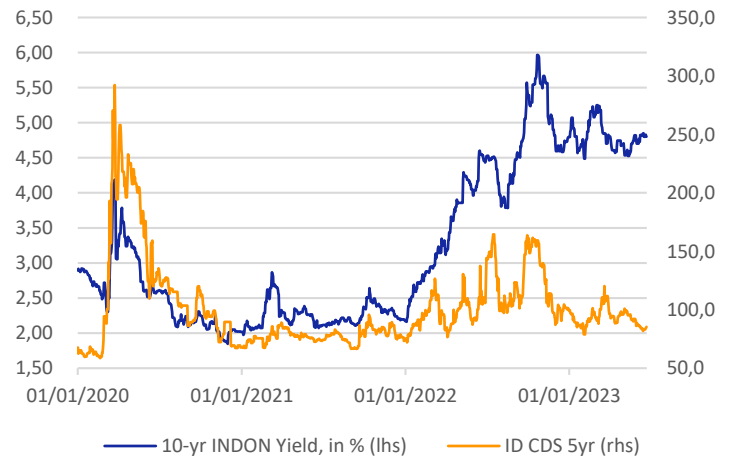
Source: Bloomberg

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



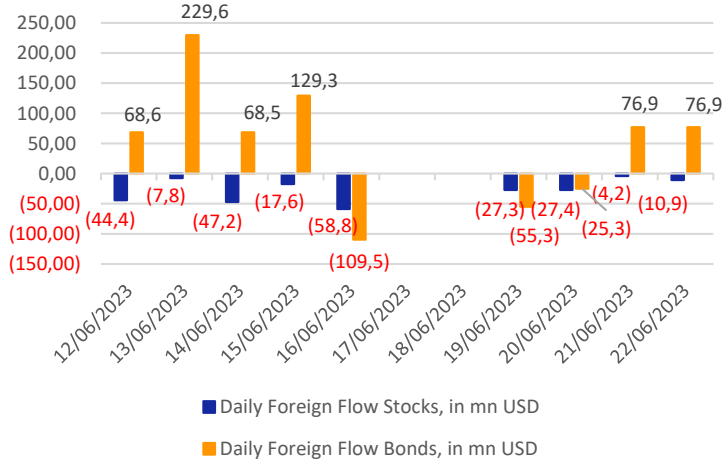
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



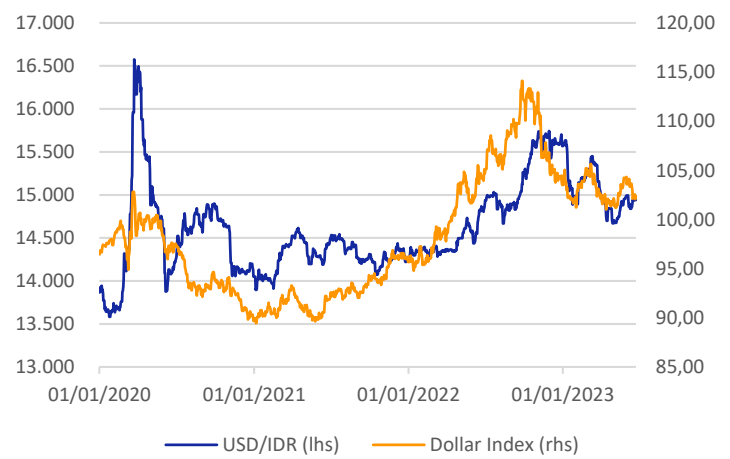
Source: Bloomberg

Chart 5. Foreign Capital Flow Indicator



Source: Bloomberg

Chart 6. Exchange Rate Indicator



Source: Bloomberg

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