

## Economic and Fixed Income Indicators

Currencies	7/12/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.11	1.1	2.0	4.0
GBP/USD	1.30	0.4	2.2	7.5
AUD/USD	0.68	1.5	1.8	(0.4)
USD/CHF	0.87	(1.4)	(3.1)	(6.2)
USD/JPY	138.5	(1.3)	(4.0)	5.6
Dollar Index	100.5	(1.2)	(2.3)	(2.9)
Bloomberg Asia Dollar Index	92.6	0.5	1.1	(2.1)
USD/KRW	1,289	(0.4)	(2.2)	1.8
USD/SGD	1.33	(0.8)	(1.6)	(0.7)
USD/CNY	7.17	(0.6)	(1.2)	3.9
USD/INR	82.2	(0.1)	0.3	(0.6)
USD/IDR	15,078	(0.4)	0.6	(3.1)
USD/IDR 1 Month NDF	14,958	(1.3)	(0.6)	(3.7)
USD/MYR	4.65	(0.2)	(0.3)	5.6
USD/THB	34.9	0.3	(1.5)	0.9
USD/PHP	55.0	(0.6)	(0.5)	(1.4)
Rates	7/12/2023	Daily (bp)	MTD (bp)	YTD (bp)
US Treasuries 10-Year	3.86	(11.3)	2.1	(1.8)
Germany Bund 10-Year	2.58	(7.1)	18.6	0.7
Japan JGB 10-Year	0.47	1.5	7.3	5.2
LIBOR Overnight	5.06	0.0	0.0	74.4
LIBOR 1-Month	5.31	0.0	9.3	91.9
Indonesia INDOGB 10-Year	6.19	(2.6)	(6.7)	(74.6)
Indonesia INDOGB 5-Year	5.90	(3.5)	(1.5)	(30.8)
Indonesia INDOGB 2-Year	6.03	(3.7)	15.9	(4.7)
INDOGB-UST (bp)	233.67	8.7	(8.8)	(72.9)
Indonesia INDON 10-Year	5.02	(5.7)	19.3	21.9
Indonesia INDON 5-Year	5.10	(2.9)	31.1	41.1
Indonesia INDON 2-Year	5.47	0.5	25.2	68.0
INDON-UST (bp)	115.77	5.8	17.2	23.6
Indonesia Corporate AAA 10-Year	7.09	(4.4)	(11.6)	(65.7)
Indonesia Corporate AAA 5-Year	6.65	(4.4)	(5.2)	(15.7)
Indonesia Corporate AAA 2-Year	6.65	(4.4)	12.7	16.6
INDONIA	5.65	1.2	(26.5)	62.5
JIBOR 1-Month	6.40	0.0	0.0	19.5
Bond Indexes	7/12/2023	Daily (%)	MTD (%)	YTD (%)
S&P Global Bond Developed Index	178.6	0.5	(0.5)	1.6
EMBI Global Index	799.0	0.8	0.2	4.0
iShare USD EMBI Index	85.9	0.9	(0.0)	1.4
ICBI Index	368.6	0.1	0.4	6.9
IDMA Index	101.1	0.0	(0.1)	3.8
INDOBeX Government Bond Index	361.0	0.1	0.4	7.0
INDOBeX Corporate Bond Index	411.6	0.1	0.3	4.9
Prices	7/12/2023	Daily (%)	MTD (%)	YTD (%)
ID CDS 5-Year	83.1	(2.1)	(3.5)	(16.5)
JCI	6,808	0.2	2.2	(0.6)
S&P-Goldman Sachs Commodity Index	560.1	0.9	3.5	(8.2)
FR0095	102.18	0.1	0.1	3.1
FR0096	105.89	0.2	0.5	5.3
FR0097	107.50	0.4	1.3	7.3
FR0098	107.52	0.4	1.1	7.0

Source: Bloomberg, SSI Research

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## Economic Calendar

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
07/13/2023 13:00	UK	Monthly GDP (MoM)	May	-0.40%	0.20%
07/13/2023 16:00	EC	Industrial Production SA MoM	May	0.30%	1.00%
07/13/2023 19:30	US	PPI Final Demand YoY	Jun	0.40%	1.10%
07/13/2023 19:30	US	Initial Jobless Claims	8-Jul	250k	248k

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

## Bullish rally after the release of cooler-than-expected US CPI inflation data

Global bond market saw a strong bullish rally last night (7/12) following the release of cooler-than-expected CPI inflation data (see global economic news). The S&P index for developed market bonds and the EMBI for emerging market bonds went up by 0.5% and 0.8%, respectively. Meanwhile, the UST and Bund 10Y yields fell by -11 and -7 bps to 3.86% and -7.1%, respectively. We believe that Asian markets will experience the same bullish rally, including Indonesia's (which experienced a rebound yesterday). Based on the INDOGB 10Y vs, 2Y yield spread data, we project that the INDOGB 2Y yield might experience a steeper decline (55 bps more) than INDOGB 10Y yield (see chart 2). Therefore, we reiterate our recommendation for investors to reallocate their portfolio from long (10Y & 15Y) to short (2Y). We expect the INDOGB 10Y yield to decline to 6.05-6.15% today, while rupiah might go up to IDR 14,850-14,950 per USD.

**Fixed Income News: Pefindo assigns an 'idA(pg)' rating to ARKO's Green Bond I/2023 (IDR 350bn).** PT Arkora Hydro, a subsidiary of PT United Tractors, will issue the green bond soon. The bond is guaranteed by PT Indonesia Infrastructure Finance, which has an 'idAAA' rating with a stable outlook. The guarantee provided is at least 75% of the principal value of the bonds and 200% of the coupon payment per quarter. (EmitenNews)

**Global Economic News: US CPI inflation fell to 3% yoy in June (May: 4% yoy; Cons Jun: 3.1% yoy).** Its core CPI inflation also fell to 4.8% yoy (May: 5.3% yoy; Cons Jun: 5% yoy). The cooler-than-market core CPI inflation data led to the drop in expectations of a second Fed rate hike (1X25 bps) in November or December to 26% and 21%, respectively (Prev: 34% and 30%). In our opinion, the data opens the door for Bank Indonesia to start cutting its 7DRRR in September or October. (CNBC)

**Domestic Economic News: Real sales index came in at 223.5 in May (BI Forc: 234.2) and is expected to continue its decline in June to 223.2.** We believe the weaker real sales index and consumer confidence index data indicate a slightly weaker household consumption growth in 2Q23 to 4.3% yoy (1Q23: 4.5% yoy). (Bank Indonesia)

**Recommendation: FR0040, FR0081, FR0084, FR0086, FR0089, FR0094, PBS017, PBS036.**

# Daily Economic & Fixed Income Report

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Economic & Fixed Income Analysis

13 July 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	FR39	8/24/2006	8/15/2023	0.09	11.8%	100.81	1.5%	3.3%	100.78	(178.37)	Expensive	0.09
2	FR70	8/29/2013	3/15/2024	0.68	8.4%	101.62	5.8%	3.7%	103.10	213.63	Cheap	0.66
3	FR77	9/27/2018	5/15/2024	0.84	8.1%	101.79	5.9%	3.9%	103.49	198.28	Cheap	0.81
4	FR44	4/19/2007	9/15/2024	1.18	10.0%	104.85	5.6%	4.3%	106.53	135.25	Cheap	1.12
5	FR81	8/1/2019	6/15/2025	1.93	6.5%	101.00	5.9%	5.0%	102.82	98.14	Cheap	1.82
6	FR40	9/21/2006	9/15/2025	2.18	11.0%	110.59	5.7%	5.1%	111.98	59.45	Cheap	1.96
7	FR84	5/4/2020	2/15/2026	2.60	7.3%	103.18	5.9%	5.4%	104.53	53.85	Cheap	2.36
8	FR86	8/13/2020	4/15/2026	2.76	5.5%	99.05	5.9%	5.4%	100.16	43.92	Cheap	2.54
9	FR56	9/23/2010	9/15/2026	3.18	8.4%	107.29	5.8%	5.6%	107.97	21.03	Cheap	2.82
10	FR37	5/18/2006	9/15/2026	3.18	12.0%	117.69	5.8%	5.6%	118.40	18.69	Cheap	2.71
11	FR90	7/8/2021	4/15/2027	3.76	5.1%	97.85	5.8%	5.8%	97.81	(1.08)	Expensive	3.40
12	FR59	9/15/2011	5/15/2027	3.84	7.0%	103.59	5.9%	5.8%	104.08	13.41	Cheap	3.37
13	FR42	1/25/2007	7/15/2027	4.01	10.3%	115.17	5.9%	5.8%	115.56	8.67	Cheap	3.32
14	FR94	3/4/2022	1/15/2028	4.52	5.6%	98.42	6.0%	5.9%	98.65	6.06	Cheap	3.96
15	FR47	8/30/2007	2/15/2028	4.60	10.0%	116.10	5.9%	6.0%	116.04	(2.99)	Expensive	3.76
16	FR64	8/13/2012	5/15/2028	4.85	6.1%	100.63	6.0%	6.0%	100.51	(3.17)	Expensive	4.19
17	FR95	8/19/2022	8/15/2028	5.10	6.4%	102.19	5.9%	6.0%	101.45	(17.31)	Expensive	4.35
18	FR99	1/27/2023	1/15/2029	5.52	6.4%	101.73	6.0%	6.1%	101.40	(7.04)	Expensive	4.62
19	FR71	9/12/2013	3/15/2029	5.68	9.0%	113.92	6.1%	6.1%	113.66	(5.88)	Expensive	4.57
20	FR78	9/27/2018	5/15/2029	5.85	8.3%	110.24	6.1%	6.1%	110.26	(0.41)	Expensive	4.70
21	FR52	8/20/2009	8/15/2030	7.10	10.5%	123.82	6.3%	6.2%	124.08	2.97	Cheap	5.25
22	FR82	8/1/2019	9/15/2030	7.18	7.0%	104.16	6.3%	6.3%	104.26	1.39	Cheap	5.71
23	FRSDG1	10/27/2022	10/15/2030	7.27	7.4%	104.76	6.5%	6.3%	106.42	27.71	Cheap	5.63
24	FR87	8/13/2020	2/15/2031	7.60	6.5%	101.30	6.3%	6.3%	101.29	(0.38)	Expensive	6.00
25	FR85	5/4/2020	4/15/2031	7.76	7.8%	108.95	6.3%	6.3%	108.83	(2.35)	Expensive	5.89
26	FR73	8/6/2015	5/15/2031	7.85	8.8%	115.12	6.3%	6.3%	114.99	(2.61)	Expensive	5.85
27	FR54	7/22/2010	7/15/2031	8.01	9.5%	120.55	6.2%	6.3%	119.83	(10.83)	Expensive	5.82
28	FR91	7/8/2021	4/15/2032	8.77	6.4%	100.72	6.3%	6.3%	100.17	(8.52)	Expensive	6.69
29	FR58	7/21/2011	6/15/2032	8.93	8.3%	112.74	6.4%	6.4%	112.75	(0.30)	Expensive	6.54
30	FR74	11/10/2016	8/15/2032	9.10	7.5%	108.02	6.3%	6.4%	107.75	(4.14)	Expensive	6.70
31	FR96	8/19/2022	2/15/2033	9.61	7.0%	105.89	6.2%	6.4%	104.35	(21.18)	Expensive	7.07
32	FR65	8/30/2012	5/15/2033	9.85	6.6%	102.15	6.3%	6.4%	101.65	(7.02)	Expensive	7.26
33	FR68	8/1/2013	3/15/2034	10.68	8.4%	115.56	6.3%	6.4%	114.89	(8.39)	Expensive	7.39
34	FR80	7/4/2019	6/15/2035	11.93	7.5%	108.69	6.4%	6.5%	108.53	(2.03)	Expensive	8.12
35	FR72	7/9/2015	5/15/2036	12.85	8.3%	115.39	6.5%	6.5%	115.22	(2.07)	Expensive	8.30
36	FR88	1/7/2021	6/15/2036	12.94	6.3%	99.79	6.3%	6.5%	97.94	(21.53)	Expensive	8.92
37	FR45	5/24/2007	5/15/2037	13.85	9.8%	123.15	7.1%	6.5%	129.31	58.63	Cheap	8.26
38	FR93	1/6/2022	7/15/2037	14.02	6.4%	99.97	6.4%	6.5%	98.77	(13.26)	Expensive	9.22
39	FR75	8/10/2017	5/15/2038	14.85	7.5%	109.21	6.5%	6.5%	109.18	(0.52)	Expensive	9.24
40	FR98	9/15/2022	6/15/2038	14.94	7.1%	107.52	6.3%	6.5%	105.65	(18.98)	Expensive	9.48
41	FR50	1/24/2008	7/15/2038	15.02	10.5%	136.02	6.7%	6.5%	137.66	13.60	Cheap	8.59
42	FR79	1/7/2019	4/15/2039	15.77	8.4%	117.41	6.6%	6.5%	117.88	4.04	Cheap	9.28
43	FR83	11/7/2019	4/15/2040	16.77	7.5%	108.74	6.6%	6.6%	109.53	7.24	Cheap	9.82
44	FR57	4/21/2011	5/15/2041	17.85	9.5%	129.50	6.6%	6.6%	130.56	8.10	Cheap	9.72
45	FR62	2/9/2012	4/15/2042	18.77	6.4%	98.35	6.5%	6.6%	97.82	(5.08)	Expensive	10.83
46	FR92	7/8/2021	6/15/2042	18.94	7.1%	105.58	6.6%	6.6%	105.85	2.30	Cheap	10.71
47	FR97	8/19/2022	6/15/2043	19.94	7.1%	107.53	6.4%	6.6%	105.89	(14.29)	Expensive	11.07
48	FR67	7/18/2013	2/15/2044	20.61	8.8%	120.86	6.8%	6.6%	124.08	24.86	Cheap	10.53
49	FR76	9/22/2017	5/15/2048	24.86	7.4%	106.77	6.8%	6.6%	109.05	17.77	Cheap	11.83
50	FR89	1/7/2021	8/15/2051	28.11	6.9%	101.95	6.7%	6.6%	102.91	7.42	Cheap	12.62

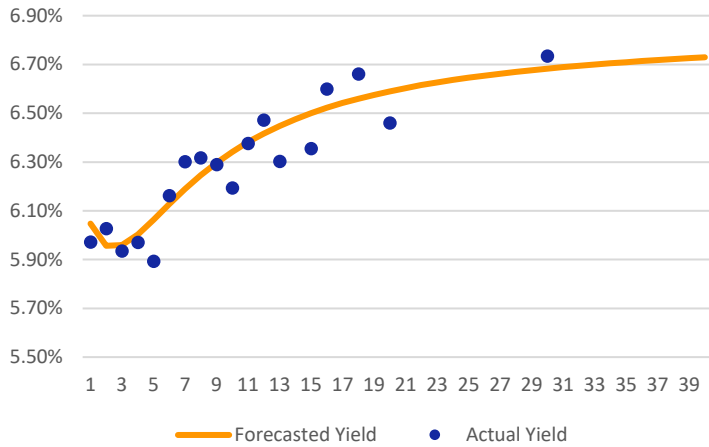
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Economic & Fixed Income Analysis

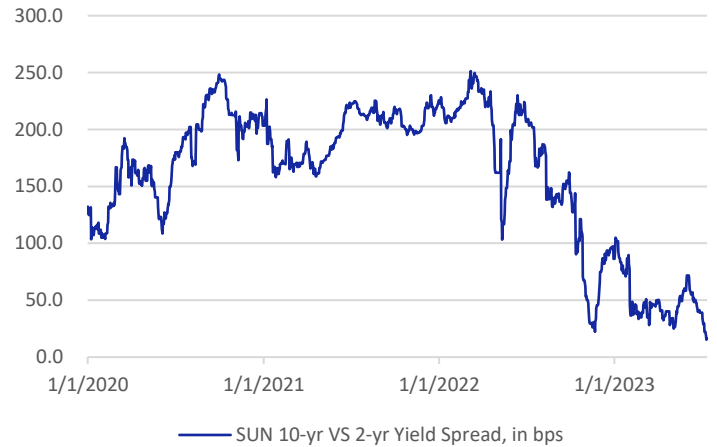
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**Chart 1. Samuel's Yield Curve Forecast**



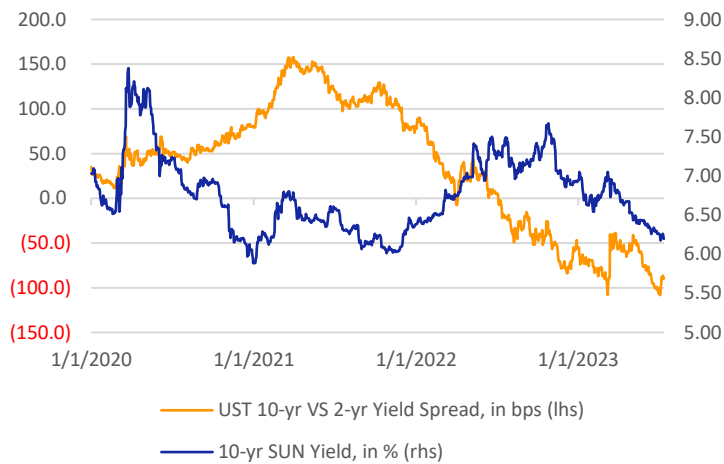
Source: Bloomberg

**Chart 2. Leading Indicator for Indonesian Economic Recession**



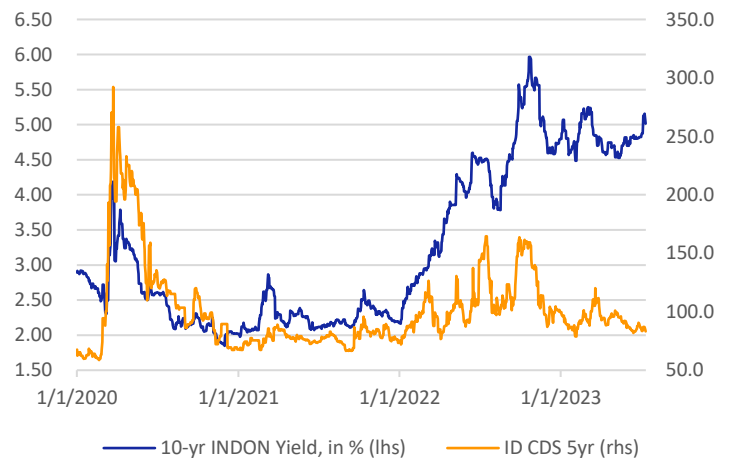
Source: Bloomberg

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



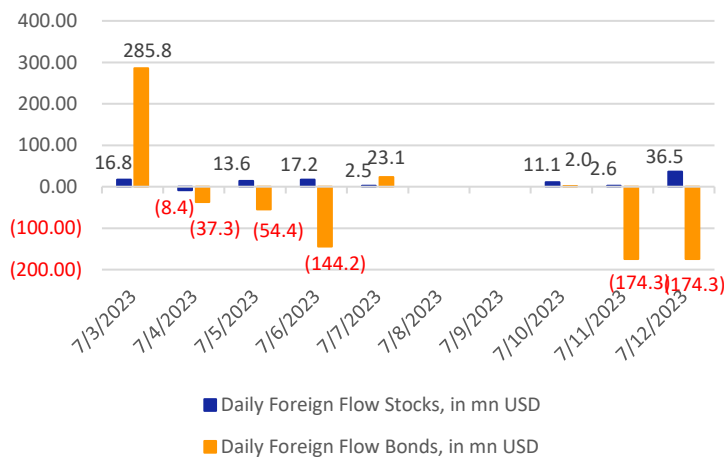
Source: Bloomberg

**Chart 4. Leading Indicator for Bond Market Volatility**



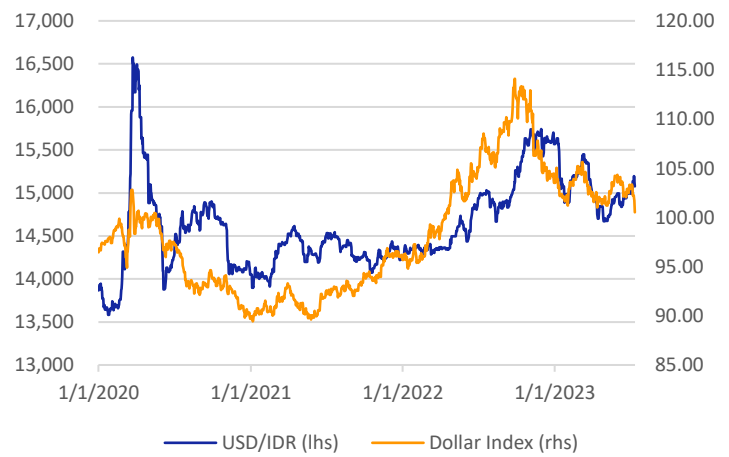
Source: Bloomberg

**Chart 5. Foreign Capital Flow Indicator**



Source: Bloomberg

**Chart 6. Exchange Rate Indicator**



Source: Bloomberg

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