

## Economic and Fixed Income Indicators

Currencies	7/5/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.09	(0.2)	(0.5)	1.4
GBP/USD	1.27	(0.1)	0.0	5.1
AUD/USD	0.67	(0.6)	(0.1)	(2.3)
USD/CHF	0.90	0.2	0.4	(2.8)
USD/JPY	144.7	0.1	0.2	10.3
Dollar Index	103.4	0.3	0.4	(0.1)
Bloomberg Asia Dollar Index	91.8	(0.3)	0.3	(2.9)
USD/KRW	1,299	(0.2)	(1.5)	2.6
USD/SGD	1.35	0.3	0.1	1.0
USD/CNY	7.25	0.5	(0.0)	5.1
USD/INR	82.2	0.2	0.2	(0.6)
USD/IDR	15,015	0.1	0.1	(3.6)
USD/IDR 1 Month NDF	15,095	0.5	0.3	(2.8)
USD/MYR	4.65	0.0	(0.3)	5.6
USD/THB	34.9	0.0	(1.6)	0.8
USD/PHP	55.4	0.3	0.3	(0.6)

Rates	7/5/2023	Daily (bp)	MTD (bp)	YTD (bp)
US Treasuries 10-Year	3.93	7.7	9.5	5.7
Germany Bund 10-Year	2.48	2.5	8.6	(9.3)
Japan JGB 10-Year	0.39	0.6	(0.9)	(3.0)
LIBOR Overnight	5.06	0.0	0.0	74.4
LIBOR 1-Month	5.26	0.0	3.9	86.5
Indonesia INDOGB 10-Year	6.18	(3.2)	(8.4)	(76.3)
Indonesia INDOGB 5-Year	5.90	(0.5)	(1.3)	(30.6)
Indonesia INDOGB 2-Year	5.89	(2.1)	1.8	(18.8)
INDOGB-UST (bp)	224.55	(10.9)	(17.9)	(82.0)
Indonesia INDON 10-Year	4.87	0.2	5.2	7.8
Indonesia INDON 5-Year	4.92	0.4	13.5	23.5
Indonesia INDON 2-Year	5.36	(3.5)	14.0	56.8
INDON-UST (bp)	94.25	(7.5)	(4.3)	2.1
Indonesia Corporate AAA 10-Year	7.11	(4.2)	(9.3)	(63.4)
Indonesia Corporate AAA 5-Year	6.68	(1.4)	(2.2)	(12.8)
Indonesia Corporate AAA 2-Year	6.53	(2.9)	1.0	5.0
INDONIA	5.68	6.1	(23.2)	65.8
JIBOR 1-Month	6.40	0.0	0.0	19.5

Bond Indexes	7/5/2023	Daily (%)	MTD (%)	YTD (%)
S&P Global Bond Developed Index	179.0	(0.1)	(0.3)	1.8
EMBI Global Index	798.1	(0.1)	0.1	3.9
iShare USD EMBI Index	85.7	0.0	(0.3)	1.2
ICBI Index	368.6	0.0	0.4	6.9
IDMA Index	101.4	0.1	0.2	4.1
INDOBeX Government Bond Index	361.0	0.1	0.4	7.1
INDOBeX Corporate Bond Index	411.4	0.0	0.2	4.9

Prices	7/5/2023	Daily (%)	MTD (%)	YTD (%)
ID CDS 5-Year	83.9	0.4	(2.6)	(15.7)
JCI	6,719	0.6	0.9	(1.9)
S&P-Goldman Sachs Commodity Index	543.5	0.0	0.5	(10.9)
FR0095	102.19	(0.0)	0.1	3.1
FR0096	106.02	0.2	0.6	5.4
FR0097	107.90	0.4	1.7	7.7
FR0098	107.93	0.8	1.5	7.4

Source: Bloomberg, SSI Research

## INDOGB bullish rally came too soon

The bullish rally on the Indonesian bond market continued yesterday (7/5), marked by the -3bps drop in the INDOGB 10Y yield to 6.18%. We believe the bullish rally was driven by the government's outlook, which cut the projected budget deficit to -2.28% of GDP, followed by the decline in net SBN target to IDR 289.9tn (see fixed income news). Meanwhile, the global bond market experienced a correction on Wednesday, marked by the increase in the UST 10Y yield of 8 bps to 3.93%, cutting the yield spread between INDOGB vs. UST 10Y to 225 bps (-11 bps). With INDON's yield curve still inverted, we see that the domestic bullish rally came too early, and there's a huge chance of correction in the future. We believe that the INDOGB 10Y yield will move within the range of 6.15-6.25% today, while rupiah might depreciate to IDR 15,000-15,100 per USD.

**Fixed Income News: The government plans to reduce net SBN issuance target this year to IDR 289.9tn (state budget: IDR 696.3tn).** The plan was made after considering the latest 2023 budget deficit projection of -2.28% of GDP (state budget: -2.84% of GDP). According to our estimates, the new target is equivalent to gross SBN issuance (through auction) of IDR 660.8tn, IDR 26tn lower than our June projection. By the end of 6M23, the government had issued IDR 414.9tn worth of new SBNs, and we project that the government will issue IDR 245.9tn worth of new SBNs through the rest of the year. (Kontan)

**Global Economic News: Caixin China services PMI fell to 53.9 in June (May: 57.1; Cons Jun: 56.2).** The decline is consistent with the drop in the Chinese government's official services PMI to 53.2 (May: 54.5; Cons Jun: 53.7). In our opinion, the slowdown in China's services sector expansion might continue in 3Q23, which might prompt the Chinese government to provide further monetary and fiscal stimulus. (Investing)

**Domestic Economic News: S&P Global maintains Indonesia's rating at BBB/A-2 with stable outlook.** S&P's decision was based on its expectations for a steady GDP growth of 5% through 2026. This year, S&P forecasts a 4.8% correction after the higher-than-average growth in 2022 of 5.3%. The government's efforts to reduce its budget deficit below -3% (one year sooner than the target) is another big factor. We believe this news will become a positive catalyst that can keep Indonesian bond prices competitive amid efforts by the Ministry of Finance to reduce the supply of new SUNs this year. (Kontan)

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

**Lionel Priyadi**

Macro Strategist

lionel.priyadi@samuel.co.id

+6221 2854 8854

## Economic Calendar

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
07/06/2023 16:00	EC	Retail Sales MoM	May	0.20%	0.00%
07/06/2023 19:15	US	ADP Employment Change	Jun	225k	278k
07/06/2023 19:30	US	Initial Jobless Claims	1-Jul	245k	239k
07/06/2023 21:00	US	ISM Services Index	Jun	51.30	50.30

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

6 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	FR46	7/19/2007	7/15/2023	0.03	9.5%	100.36	-15.9%	4.8%	100.13	(2063.87)	Expensive	#NUM!
2	FR39	8/24/2006	8/15/2023	0.11	11.8%	100.81	3.4%	4.8%	100.77	(130.99)	Expensive	0.11
3	FR70	8/29/2013	3/15/2024	0.70	8.4%	101.71	5.8%	4.8%	102.39	91.41	Cheap	0.68
4	FR77	9/27/2018	5/15/2024	0.86	8.1%	101.85	5.8%	4.9%	102.70	95.51	Cheap	0.83
5	FR44	4/19/2007	9/15/2024	1.20	10.0%	104.86	5.7%	5.0%	105.77	68.50	Cheap	1.14
6	FR81	8/1/2019	6/15/2025	1.95	6.5%	101.22	5.8%	5.2%	102.30	57.83	Cheap	1.84
7	FR40	9/21/2006	9/15/2025	2.20	11.0%	110.72	5.7%	5.3%	111.64	37.05	Cheap	1.98
8	FR84	5/4/2020	2/15/2026	2.62	7.3%	103.12	5.9%	5.5%	104.33	47.78	Cheap	2.38
9	FR86	8/13/2020	4/15/2026	2.78	5.5%	99.35	5.8%	5.5%	100.00	25.25	Cheap	2.56
10	FR56	9/23/2010	9/15/2026	3.20	8.4%	107.25	5.8%	5.6%	107.98	22.44	Cheap	2.84
11	FR37	5/18/2006	9/15/2026	3.20	12.0%	117.83	5.8%	5.6%	118.47	16.36	Cheap	2.73
12	FR90	7/8/2021	4/15/2027	3.78	5.1%	98.17	5.7%	5.8%	97.89	(8.26)	Expensive	3.42
13	FR59	9/15/2011	5/15/2027	3.86	7.0%	103.78	5.9%	5.8%	104.20	11.54	Cheap	3.39
14	FR42	1/25/2007	7/15/2027	4.03	10.3%	114.35	6.2%	5.8%	115.77	35.43	Cheap	3.34
15	FR94	3/4/2022	1/15/2028	4.53	5.6%	98.43	6.0%	5.9%	98.82	10.12	Cheap	3.98
16	FR47	8/30/2007	2/15/2028	4.62	10.0%	116.13	5.9%	5.9%	116.30	2.31	Cheap	3.78
17	FR64	8/13/2012	5/15/2028	4.87	6.1%	100.85	5.9%	6.0%	100.70	(3.86)	Expensive	4.21
18	FR95	8/19/2022	8/15/2028	5.12	6.4%	102.17	5.9%	6.0%	101.65	(12.14)	Expensive	4.37
19	FR99	1/27/2023	1/15/2029	5.54	6.4%	101.77	6.0%	6.1%	101.61	(3.62)	Expensive	4.64
20	FR71	9/12/2013	3/15/2029	5.70	9.0%	114.01	6.0%	6.1%	113.91	(2.83)	Expensive	4.59
21	FR78	9/27/2018	5/15/2029	5.87	8.3%	110.33	6.1%	6.1%	110.49	2.46	Cheap	4.72
22	FR52	8/20/2009	8/15/2030	7.12	10.5%	123.78	6.3%	6.2%	124.30	6.90	Cheap	5.27
23	FR82	8/1/2019	9/15/2030	7.20	7.0%	104.26	6.3%	6.2%	104.41	2.17	Cheap	5.73
24	FRSDG1	10/27/2022	10/15/2030	7.28	7.4%	104.75	6.5%	6.2%	106.58	30.33	Cheap	5.65
25	FR87	8/13/2020	2/15/2031	7.62	6.5%	101.33	6.3%	6.3%	101.41	1.26	Cheap	6.02
26	FR85	5/4/2020	4/15/2031	7.78	7.8%	108.33	6.4%	6.3%	108.97	9.46	Cheap	5.91
27	FR73	8/6/2015	5/15/2031	7.87	8.8%	115.21	6.3%	6.3%	115.14	(1.80)	Expensive	5.87
28	FR54	7/22/2010	7/15/2031	8.03	9.5%	120.79	6.2%	6.3%	119.98	(12.17)	Expensive	5.84
29	FR91	7/8/2021	4/15/2032	8.79	6.4%	100.78	6.3%	6.3%	100.22	(8.58)	Expensive	6.71
30	FR58	7/21/2011	6/15/2032	8.95	8.3%	112.59	6.4%	6.4%	112.82	2.76	Cheap	6.55
31	FR74	11/10/2016	8/15/2032	9.12	7.5%	108.37	6.3%	6.4%	107.80	(8.31)	Expensive	6.73
32	FR96	8/19/2022	2/15/2033	9.62	7.0%	106.01	6.2%	6.4%	104.36	(22.66)	Expensive	7.10
33	FR65	8/30/2012	5/15/2033	9.87	6.6%	102.35	6.3%	6.4%	101.64	(9.80)	Expensive	7.29
34	FR68	8/1/2013	3/15/2034	10.70	8.4%	115.69	6.3%	6.4%	114.85	(10.41)	Expensive	7.42
35	FR80	7/4/2019	6/15/2035	11.95	7.5%	108.93	6.4%	6.5%	108.41	(6.08)	Expensive	8.15
36	FR72	7/9/2015	5/15/2036	12.87	8.3%	115.76	6.4%	6.5%	115.06	(7.69)	Expensive	8.33
37	FR88	1/7/2021	6/15/2036	12.96	6.3%	99.52	6.3%	6.5%	97.77	(20.37)	Expensive	8.93
38	FR45	5/24/2007	5/15/2037	13.87	9.8%	124.83	6.9%	6.5%	129.08	39.97	Cheap	8.32
39	FR93	1/6/2022	7/15/2037	14.04	6.4%	100.13	6.4%	6.5%	98.55	(17.32)	Expensive	9.25
40	FR75	8/10/2017	5/15/2038	14.87	7.5%	109.72	6.5%	6.6%	108.92	(8.25)	Expensive	9.28
41	FR98	9/15/2022	6/15/2038	14.96	7.1%	107.93	6.3%	6.6%	105.39	(25.66)	Expensive	9.51
42	FR50	1/24/2008	7/15/2038	15.04	10.5%	136.15	6.7%	6.6%	137.36	9.96	Cheap	8.61
43	FR79	1/7/2019	4/15/2039	15.79	8.4%	117.61	6.6%	6.6%	117.57	(0.63)	Expensive	9.31
44	FR83	11/7/2019	4/15/2040	16.79	7.5%	109.00	6.6%	6.6%	109.19	1.49	Cheap	9.84
45	FR57	4/21/2011	5/15/2041	17.87	9.5%	129.50	6.7%	6.6%	130.12	4.66	Cheap	9.74
46	FR62	2/9/2012	4/15/2042	18.79	6.4%	98.31	6.5%	6.6%	97.42	(8.52)	Expensive	10.85
47	FR92	7/8/2021	6/15/2042	18.96	7.1%	105.71	6.6%	6.6%	105.43	(2.64)	Expensive	10.74
48	FR97	8/19/2022	6/15/2043	19.96	7.1%	107.89	6.4%	6.6%	105.43	(21.31)	Expensive	11.10
49	FR67	7/18/2013	2/15/2044	20.63	8.8%	120.43	6.9%	6.6%	123.55	24.10	Cheap	10.53
50	FR76	9/22/2017	5/15/2048	24.88	7.4%	107.73	6.7%	6.7%	108.43	5.35	Cheap	11.91
51	FR89	1/7/2021	8/15/2051	28.13	6.9%	102.08	6.7%	6.7%	102.24	1.17	Cheap	12.65

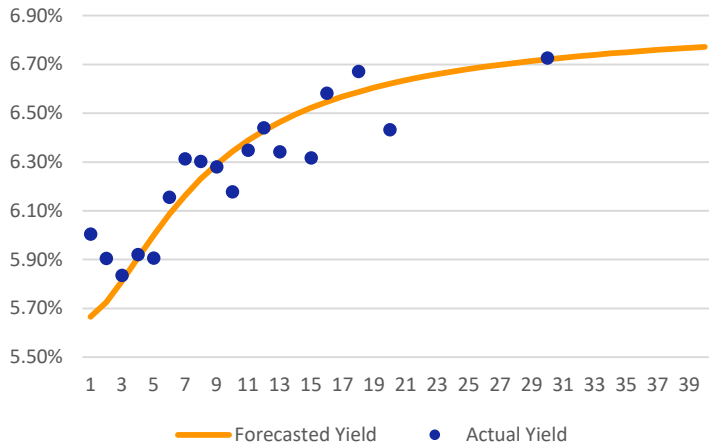
# Daily Economic & Fixed Income Report

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

Economic & Fixed Income Analysis

6 July 2023

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



Source: Bloomberg

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



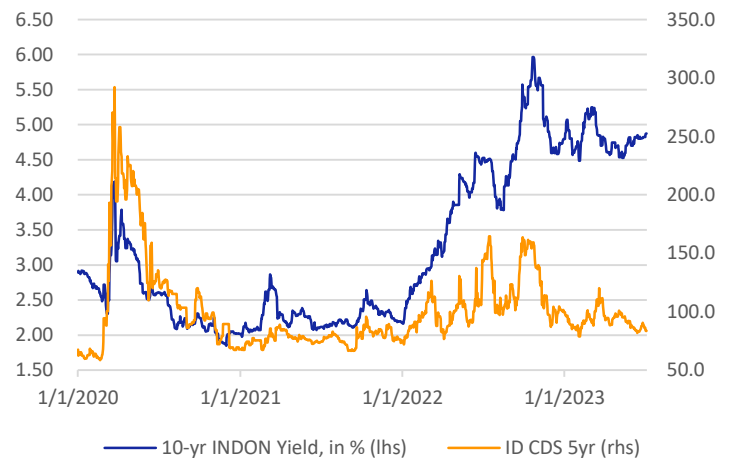
Source: Bloomberg

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



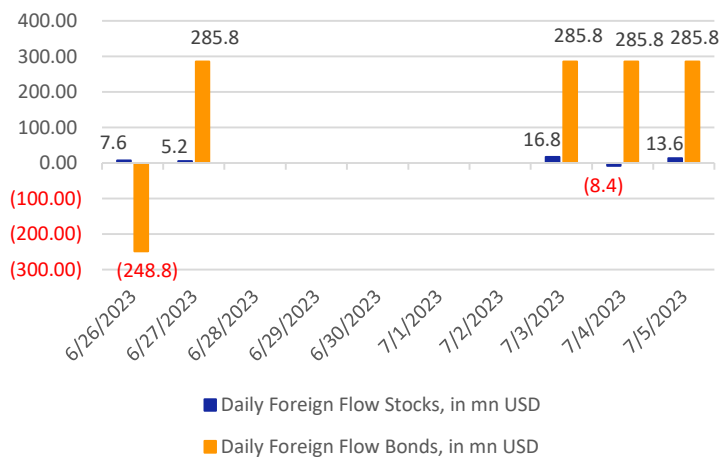
Source: Bloomberg

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



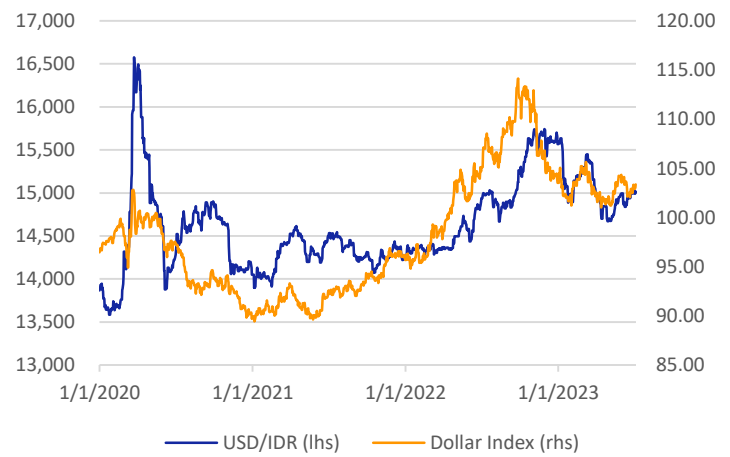
Source: Bloomberg

**Chart 5. Foreign Capital Flow Indicator**



Source: Bloomberg

**Chart 6. Exchange Rate Indicator**



Source: Bloomberg

# Daily Economic & Fixed Income Report

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



Economic & Fixed Income Analysis

6 July 2023

Research Team			
Prasetya Gunadi	Head of Equity Research, Strategy, Banking, Digital Banks	prasetya.gunadi@samuel.co.id	+6221 2854 8320
Lionel Priyadi	Macro Equity Strategist	lionel.priyadi@samuel.co.id	+6221 2854 8854
Muhamad Alfatih, CSA, CTA, CFTe	Senior Technical Analyst	m.alfatih@samuel.co.id	+6221 2854 8129
William Mamudi, CFTe, CMT, CCT	Senior Technical Analyst	william.mamudi@samuel.co.id	+6221 2854 8382
Yosua Zisokhi	Cement, Cigarette, Paper, Plantation, Telco Infra, Chemicals	yosua.zisokhi@samuel.co.id	+6221 2854 8387
M. Farras Farhan	Media, Poultry, Oil & Gas, Technology	farras.farhan@samuel.co.id	+6221 2854 8346
Pebe Peresia	Automotive, Consumer Staples, Retail	pebe.peresia@samuel.co.id	+6221 2854 8339
Juan Oktavianus Harahap	Coal, Metal Mining	juan.oktavianus@samuel.co.id	+6221 2854 8846
Jonathan Guyadi	Banking, Healthcare, Telco	jonathan.guyadi@samuel.co.id	+6221 2854 8321
Adolf Richardo	Editor	adolf.richardo@samuel.co.id	+6221 2864 8397
Ashalia Fitri Yuliana	Research Associate	ashalia.fitri@samuel.co.id	+6221 2854 8389
Daniel Aditya Widjaja	Research Associate	daniel.aditya@samuel.co.id	+6221 2854 8322
Laurencia Hiemas	Research Associate	laurencia.hiemas@samuel.co.id	+6221 2854 8392
Brandon Boedhiman	Research Associate	brandon.boedhiman@samuel.co.id	+6221 2854 8392

Equity Institutional Team			
Benny Bambang Soebagjo	Head of Institutional Equity Sales	benny.soebagjo@samuel.co.id	+6221 2854 8312
Ronny Ardianto	Institutional Equity Sales	ronny.ardianto@samuel.co.id	+6221 2854 8399
Anthony Yunus	Institutional Equity Sales	anthony.yunus@samuel.co.id	+6221 2854 8314
Widya Meidrianto	Institutional Equity Sales	widya.meidrianto@samuel.co.id	+6221 2854 8317
Fachruly Fiater	Institutional Sales Trader	fachruly.fiater@samuel.co.id	+6221 2854 8325
Lucia Irawati	Institutional Sales Trader	lucia.irawati@samuel.co.id	+6221 2854 8173
Alexander Tayus	Institutional Equity Dealer	alexander.tayus@samuel.co.id	+6221 2854 8319
Leonardo Christian	Institutional Equity Dealer	leonardo.christian@samuel.co.id	+6221 2854 8147

Equity Retail Team			
Joseph Soegandhi	Head of Equity	joseph.soegandhi@samuel.co.id	+6221 2854 8872
Damargumilang	Head of Equity Retail	damargumilang@samuel.co.id	+6221 2854 8309
Denzel Obaja	Head of Community & Partnership	denzel.obaja@samuel.co.id	+6221 2854 8342
Clarice Wijana	Head of Equity Sales Support	clarice.wijana@samuel.co.id	+6221 2854 8395
Gitta Wahyu Retnani	Equity Sales & Trainer	gitta.wahyu@samuel.co.id	+6221 2854 8365
Vincentius Darren	Equity Sales	darren@samuel.co.id	+6221 2854 8348
Michael Alexander	Equity Sales	michael.alexander@samuel.co.id	+6221 2854 8369
Sylviawati	Equity Sales	sylviawati@samuel.co.id	+6221 2854 8112
Wandha Ahmad	Equity Sales	wandha.ahmad@samuel.co.id	+6221 2854 8316
Handa Sandiawan	Equity Sales	handa.sandiawan@samuel.co.id	+6221 2854 8302
Wahyudi Budiyo	Dealer	wahyudi.budiyo@samuel.co.id	+6221 2854 8152

Fixed Income Sales Team			
R. Virine Tresna Sundari	Head of Fixed Income	virine.sundari@samuel.co.id	+6221 2854 8170
Rudianto Nugroho	Fixed Income Sales	rudianto.nugroho@samuel.co.id	+6221 2854 8306
Sany Rizal Keliobas	Fixed Income Sales	sany.rizal@samuel.co.id	+6221 2854 8337
Safitri	Fixed Income Sales	safitri@samuel.co.id	+6221 2854 8376
Khairanni	Fixed Income Sales	khairanni@samuel.co.id	+6221 28548104
Nadya Attahira	Fixed Income Sales	nadya.attahira@samuel.co.id	+6221 2854 8305

**DISCLAIMERS:** Analyst Certification: The views expressed in this research accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s) principally responsible for the preparation of this research has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. This document is for information only and for the use of the recipient. It is not to be reproduced or copied or made available to others. Under no circumstances is it to be considered as an offer to sell or solicitation to buy any security. Any recommendation contained in this report may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy, completeness and reliability cannot be guaranteed. All rights reserved by PT Samuel Sekuritas Indonesia.