Daily Economic & Fixed Income Report

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

SAMUEL SEKURITAS INDONESIA
Your Lifelong Investment Partner

Economic & Fixed Income Analysis

14 September 2023

Economic and Fixed Income Indicators

Currencies	9/13/2023	Daily (%)	MTD (%)	YTD (%)
EUR/USD	1.07	(0.2)	(1.0)	0.2
GBP/USD	1.25	0.0	(1.4)	3.4
AUD/USD	0.64	(0.1)	(1.0)	(5.7)
USD/CHF	0.89	0.3	1.2	(3.3)
USD/JPY	147.5	0.3	1.3	12.5
Dollar Index	104.8	0.1	1.1	1.2
Bloomberg Asia Dollar Index	90.9	0.1	(0.4)	(3.9)
USD/KRW	1,330	0.2	0.6	5.1
USD/SGD	1.36	0.0	0.7	1.6
USD/CNY	7.27	(0.3)	0.2	5.4
USD/INR	83.0	0.1	0.2	0.3
USD/IDR	15,370	0.2	0.9	(1.3)
USD/IDR 1 Month NDF	15,364	0.0	0.8	(1.1)
USD/MYR	4.68	0.0	0.9	6.3
USD/THB	35.8	0.3	2.2	3.3
USD/PHP	56.7	0.1	0.2	1.8
Rates	**9/13/2023**	**Daily (bp)**	**MTD (bp)**	**YTD (bp)**
US Treasuries 10-Year	4.25	(3.2)	14.0	37.4
Germany Bund 10-Year	2.65	0.8	18.5	8.0
Japan JGB 10-Year	0.71	0.2	6.2	29.1
US SOFR Overnight	5.30	0.0	(1.0)	100.0
LIBOR 1-Month	5.45	0.0	0.6	105.6
Indonesia INDOGB 10-Year	6.65	0.9	27.5	(28.6)
Indonesia INDOGB 5-Year	6.32	1.0	13.9	12.0
Indonesia INDOGB 2-Year	6.34	3.1	5.8	25.8
INDOGB-UST (bp)	240.55	4.1	13.5	(66.0)
Indonesia INDON 10-Year	5.61	1.8	17.6	81.0
Indonesia INDON 5-Year	5.38	1.8	17.7	69.2
Indonesia INDON 2-Year	5.26	(0.2)	4.9	46.8
INDON-UST (bp)	135.75	5.0	3.6	43.6
Indonesia Corporate AAA 10-Year	7.42	0.9	21.1	(32.8)
Indonesia Corporate AAA 5-Year	6.93	1.0	10.9	12.9
Indonesia Corporate AAA 2-Year	6.77	3.1	(0.1)	28.4
INDONIA	5.56	(3.2)	(1.1)	53.2
JIBOR 1-Month	6.40	0.0	0.0	20.0
Bond Indexes	**9/13/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
S&P Global Bond Developed Index	177.1	0.0	(0.7)	0.7
EMBI Global Index	792.4	0.1	(0.8)	3.1
iShare USD EMBI Index	84.4	0.1	(1.2)	(0.3)
ICBI Index	367.3	(0.1)	(0.6)	6.5
IDMA Index	101.5	(0.2)	0.4	4.2
INDOBeX Government Bond Index	359.5	(0.1)	(0.6)	6.6
INDOBeX Corporate Bond Index	414.2	(0.0)	0.1	5.6
Prices	**9/13/2023**	**Daily (%)**	**MTD (%)**	**YTD (%)**
ID CDS 5-Year	78.4	(0.1)	(3.5)	(21.3)
JCI	6,935	0.0	(0.3)	1.2
S&P-Goldman Sachs Commodity Index	615.1	0.1	4.1	0.8
FR0095	100.36	(0.0)	(0.6)	1.2
FR0096	102.50	(0.1)	(1.9)	1.9
FR0097	103.20	(0.2)	(2.2)	3.0
FR0098	103.37	(0.5)	(2.6)	2.9

Source: Bloomberg, SSI Research

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Market players believe that US disinflation is still on track

Market players reacted positively to the US CPI inflation data for August (general inflation: 0.6% mom, core inflation: 0.3% mom) (see global economic news), as reflected by the decline in 10Y UST yields of -3 bps to 4.25%. This should positively impact the domestic bond market, which dropped ahead of the release of US CPI inflation data, as reflected by the decline in IDMA and ICBI indexes of -0.2% and -0.1%, respectively. However, the probability of the Fed raising its benchmark interest rate in November and December remained unchanged at 41%, showing that market players need further confirmation regarding the resilience of the US disinflation trend (with August PCE inflation and September CPI inflation data). We expect the INDOGB 10Y yield and Rupiah to stay at 6.6-6.7% and IDR 15,300-15,400 per USD today.

Fixed Income News: Pefindo revises its outlook on PTPP to negative credit watch. For now, PT Pemeringkat Efek Indonesia (Pefindo) still maintains its rating for PT Pembangunan Perumahan (PTPP) at 'idA', while the downgrade in outlook was mainly caused by Temporary PKPU status issued by the Makassar District Court. If PTPP fails to appeal its PKPU status to the Supreme Court within 45 days since the ruling (8/29), then Pefindo will downgrade PTPP's rating. This will affect the ratings of PTPP's Shelf Registration Bonds Phase II, Phase III and Sukuk Mudharabah I (all three have 'idA rating). (*DJPPR*)

Global Economic News: US CPI inflation went up to 3.7% yoy in August (Jul: 3.2% yoy; Cons: 3.6% yoy). Meanwhile, US core CPI inflation declined to 4.3% yoy (Jul: 4.7% yoy; Cons: 4.3% yoy). Regarding the monthly inflatio ton rate, general inflation rose to 0.6% mom (Jul: 0.2% mom; Cons: 0.6% mom) and core inflation rose to 0.278% mom (Jul: 0.16% mom; Cons: 0.2% mom). This shows the trickle-down effect of the recent global oil surge. The trickle-down effect affected core inflation, mainly on airfare (which rose 4.9% mom). However, most market players still believe that the effect of the increase in monthly core inflation rate is temporary. (*Reuters*)

Domestic Economic News: DPR approves additional state capital participation (PMN) for Hutama Karya of IDR 28.8tn. With this approval, Hutama Karya will receive PMN of IDR 47.4tn. Hutama Karya also received an additional PMN of IDR 18.6tn from next year's state budget to purchase PT Waskita Sriwijaya Tol shares. In our opinion, the additional PMN will really help PT Waskita Karya, who is facing the risk of defaulting on bond interest payments. (*CNBC Indonesia*)

Recommendation: FR0040, FR0056, FR0081, FR0084, FR0086, FR0096, FR0097, FR0098.

Economic Calender

Time (Jakarta)	Country	Data and Event	Period	Survey	Prior
09/14/2023 19:15	EC	ECB Main Refinancing Rate	14-Sep	4.25%	4.25%
09/14/2023 19:15	EC	ECB Marginal Lending Facility	14-Sep	4.50%	4.50%
09/14/2023 19:15	EC	ECB Deposit Facility Rate	14-Sep	3.75%	3.75%
09/14/2023 19:30	US	PPI Final Demand YoY	Aug	1.30%	0.80%

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	FR70	8/29/2013	3/15/2024	0.50	8.4%	101.07	6.1%	4.3%	102.03	186.90	Cheap	0.49
2	FR77	9/27/2018	5/15/2024	0.67	8.1%	101.22	6.2%	4.4%	102.42	176.43	Cheap	0.66
3	FR44	4/19/2007	9/15/2024	1.01	10.0%	103.67	6.1%	4.8%	105.10	136.57	Cheap	0.95
4	FR81	8/1/2019	6/15/2025	1.76	6.5%	100.38	6.3%	5.4%	101.89	90.16	Cheap	1.65
5	FR40	9/21/2006	9/15/2025	2.01	11.0%	108.81	6.2%	5.5%	110.32	72.57	Cheap	1.79
6	FR84	5/4/2020	2/15/2026	2.43	7.3%	102.08	6.3%	5.7%	103.46	59.68	Cheap	2.23
7	FR86	8/13/2020	4/15/2026	2.59	5.5%	98.30	6.2%	5.8%	99.37	45.76	Cheap	2.40
8	FR56	9/23/2010	9/15/2026	3.01	8.4%	105.70	6.3%	5.9%	106.71	35.02	Cheap	2.65
9	FR37	5/18/2006	9/15/2026	3.01	12.0%	115.56	6.2%	5.9%	116.57	31.41	Cheap	2.54
10	FR90	7/8/2021	4/15/2027	3.59	5.1%	96.72	6.2%	6.1%	97.05	10.90	Cheap	3.26
11	FR59	9/15/2011	5/15/2027	3.67	7.0%	102.10	6.3%	6.1%	103.02	27.57	Cheap	3.26
12	FR42	1/25/2007	7/15/2027	3.84	10.3%	113.60	6.2%	6.1%	114.00	9.28	Cheap	3.22
13	FR94	3/4/2022	1/15/2028	4.34	5.6%	97.60	6.2%	6.2%	97.80	5.16	Cheap	3.84
14	FR47	8/30/2007	2/15/2028	4.43	10.0%	114.40	6.2%	6.2%	114.52	1.20	Cheap	3.66
15	FR64	8/13/2012	5/15/2028	4.67	6.1%	99.07	6.4%	6.2%	99.57	12.37	Cheap	4.07
16	FR95	8/19/2022	8/15/2028	4.93	6.4%	100.35	6.3%	6.3%	100.47	2.49	Cheap	4.24
17	FR99	1/27/2023	1/15/2029	5.35	6.4%	100.39	6.3%	6.3%	100.41	0.28	Cheap	4.52
18	FR71	9/12/2013	3/15/2029	5.51	9.0%	111.74	6.4%	6.3%	112.28	10.59	Cheap	4.38
19	FR78	9/27/2018	5/15/2029	5.67	8.3%	108.41	6.5%	6.3%	108.99	11.13	Cheap	4.61
20	FR52	8/20/2009	8/15/2030	6.93	10.5%	122.62	6.4%	6.4%	122.47	(3.33)	Expensive	5.18
21	FR82	8/1/2019	9/15/2030	7.01	7.0%	102.32	6.6%	6.4%	103.15	14.59	Cheap	5.52
22	FRSDG1	10/27/2022	10/15/2030	7.09	7.4%	104.75	6.5%	6.4%	105.27	8.66	Cheap	5.56
23	FR87	8/13/2020	2/15/2031	7.43	6.5%	99.44	6.6%	6.5%	100.25	13.97	Cheap	5.91
24	FR85	5/4/2020	4/15/2031	7.59	7.8%	107.54	6.5%	6.5%	107.62	0.88	Cheap	5.81
25	FR73	8/6/2015	5/15/2031	7.67	8.8%	112.90	6.6%	6.5%	113.63	10.75	Cheap	5.77
26	FR54	7/22/2010	7/15/2031	7.84	9.5%	118.40	6.5%	6.5%	118.36	(1.22)	Expensive	5.74
27	FR91	7/8/2021	4/15/2032	8.59	6.4%	98.67	6.6%	6.5%	99.13	7.17	Cheap	6.59
28	FR58	7/21/2011	6/15/2032	8.76	8.3%	110.65	6.6%	6.5%	111.45	10.85	Cheap	6.34
29	FR74	11/10/2016	8/15/2032	8.93	7.5%	105.97	6.6%	6.5%	106.55	8.11	Cheap	6.62
30	FR96	8/19/2022	2/15/2033	9.43	7.0%	102.49	6.6%	6.5%	103.22	10.07	Cheap	6.97
31	FR65	8/30/2012	5/15/2033	9.68	6.6%	100.00	6.6%	6.5%	100.57	7.82	Cheap	7.18
32	FR68	8/1/2013	3/15/2034	10.51	8.4%	112.24	6.7%	6.6%	113.56	16.11	Cheap	7.17
33	FR80	7/4/2019	6/15/2035	11.76	7.5%	106.23	6.7%	6.6%	107.31	12.62	Cheap	7.90
34	FR72	7/9/2015	5/15/2036	12.68	8.3%	112.71	6.7%	6.6%	113.89	12.53	Cheap	8.23
35	FR88	1/7/2021	6/15/2036	12.76	6.3%	97.00	6.6%	6.6%	96.88	(1.53)	Expensive	8.68
36	FR45	5/24/2007	5/15/2037	13.68	9.8%	125.77	6.8%	6.6%	127.77	18.79	Cheap	8.31
37	FR93	1/6/2022	7/15/2037	13.85	6.4%	99.95	6.4%	6.6%	97.69	(25.33)	Expensive	9.20
38	FR75	8/10/2017	5/15/2038	14.68	7.5%	106.64	6.8%	6.6%	107.94	13.26	Cheap	9.16
39	FR98	9/15/2022	6/15/2038	14.76	7.1%	103.34	6.8%	6.6%	104.47	11.64	Cheap	9.19
40	FR50	1/24/2008	7/15/2038	14.85	10.5%	135.65	6.7%	6.6%	136.01	2.72	Cheap	8.58
41	FR79	1/7/2019	4/15/2039	15.60	8.4%	115.25	6.8%	6.7%	116.53	11.83	Cheap	9.21
42	FR83	11/7/2019	4/15/2040	16.60	7.5%	106.50	6.8%	6.7%	108.29	17.07	Cheap	9.74
43	FR57	4/21/2011	5/15/2041	17.68	9.5%	128.50	6.7%	6.7%	129.04	4.07	Cheap	9.70
44	FR62	2/9/2012	4/15/2042	18.60	6.4%	96.65	6.7%	6.7%	96.73	0.70	Cheap	10.76
45	FR92	7/8/2021	6/15/2042	18.77	7.1%	102.49	6.9%	6.7%	104.65	19.84	Cheap	10.41
46	FR97	8/19/2022	6/15/2043	19.77	7.1%	103.15	6.8%	6.7%	104.69	13.68	Cheap	10.70
47	FR67	7/18/2013	2/15/2044	20.44	8.8%	120.50	6.9%	6.7%	122.66	16.79	Cheap	10.54
48	FR76	9/22/2017	5/15/2048	24.69	7.4%	106.40	6.8%	6.7%	107.81	11.06	Cheap	11.85
49	FR89	1/7/2021	8/15/2051	27.94	6.9%	100.18	6.9%	6.7%	101.74	12.34	Cheap	12.54

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	PBS31	7/29/2021	7/15/2024	0.84	4.0%	98.39	6.0%	5.8%	98.57	25.38	Cheap	0.82
2	PBS26	10/17/2019	10/15/2024	1.09	6.6%	100.59	6.0%	5.8%	100.87	24.91	Cheap	1.05
3	PBS36	8/25/2022	8/15/2025	1.92	5.4%	98.38	6.3%	5.9%	99.11	41.35	Cheap	1.83
4	PBS17	1/11/2018	10/15/2025	2.09	6.1%	99.60	6.3%	5.9%	100.45	44.00	Cheap	1.95
5	PBS32	7/29/2021	7/15/2026	2.84	4.9%	96.90	6.1%	6.0%	97.17	11.03	Cheap	2.64
6	PBS21	12/5/2018	11/15/2026	3.18	8.5%	106.45	6.2%	6.0%	107.10	20.42	Cheap	2.81
7	PBS3	2/2/2012	1/15/2027	3.34	6.0%	101.10	5.6%	6.0%	99.92	(39.85)	Expensive	3.02
8	PBS20	10/22/2018	10/15/2027	4.09	9.0%	110.06	6.2%	6.1%	110.34	6.30	Cheap	3.45
9	PBS18	6/4/2018	5/15/2028	4.67	7.6%	105.64	6.2%	6.2%	105.86	4.65	Cheap	3.97
10	PBS30	6/4/2021	7/15/2028	4.84	5.9%	98.70	6.2%	6.2%	98.75	1.11	Cheap	4.20
11	PBSG1	9/22/2022	9/15/2029	6.01	6.6%	102.20	6.2%	6.3%	101.73	(9.58)	Expensive	4.94
12	PBS23	5/15/2019	5/15/2030	6.67	8.1%	108.51	6.5%	6.3%	109.68	20.17	Cheap	5.25
13	PBS12	1/28/2016	11/15/2031	8.18	8.9%	115.00	6.5%	6.4%	115.45	5.95	Cheap	6.04
14	PBS24	5/28/2019	5/15/2032	8.68	8.4%	112.69	6.4%	6.4%	112.69	(0.58)	Expensive	6.37
15	PBS25	5/29/2019	5/15/2033	9.68	8.4%	112.50	6.6%	6.5%	113.39	11.24	Cheap	6.87
16	PBS29	1/14/2021	3/15/2034	10.51	6.4%	99.20	6.5%	6.5%	98.89	(4.12)	Expensive	7.60
17	PBS22	1/24/2019	4/15/2034	10.59	8.6%	113.51	6.8%	6.5%	115.87	28.43	Cheap	7.20
18	PBS37	1/12/2023	3/15/2036	12.51	6.9%	100.70	6.8%	6.6%	102.42	20.31	Cheap	8.36
19	PBS4	2/16/2012	2/15/2037	13.44	6.1%	95.50	6.6%	6.6%	95.49	(0.16)	Expensive	9.10
20	PBS34	1/13/2022	6/15/2039	15.76	6.5%	97.00	6.8%	6.7%	98.44	15.11	Cheap	9.72
21	PBS7	9/29/2014	9/15/2040	17.02	9.0%	123.97	6.6%	6.7%	123.35	(5.44)	Expensive	9.52
22	PBS35	3/30/2022	3/15/2042	18.52	6.8%	100.12	6.7%	6.7%	100.49	3.50	Cheap	10.53
23	PBS5	5/2/2013	4/15/2043	19.60	6.8%	101.85	6.6%	6.7%	100.35	(13.74)	Expensive	10.97
24	PBS28	7/23/2020	10/15/2046	23.10	7.8%	111.85	6.7%	6.8%	111.59	(2.21)	Expensive	11.42
25	PBS33	1/13/2022	6/15/2047	23.77	6.8%	100.12	6.7%	6.8%	99.90	(1.93)	Expensive	11.80
26	PBS15	7/21/2017	7/15/2047	23.85	8.0%	116.77	6.6%	6.8%	114.60	(16.55)	Expensive	11.60

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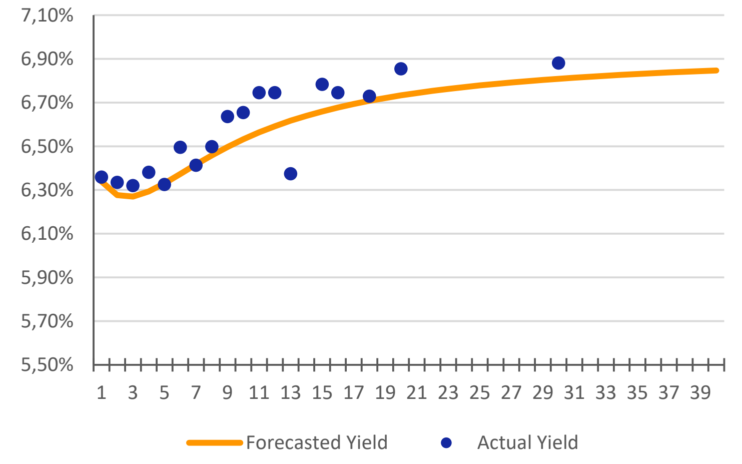
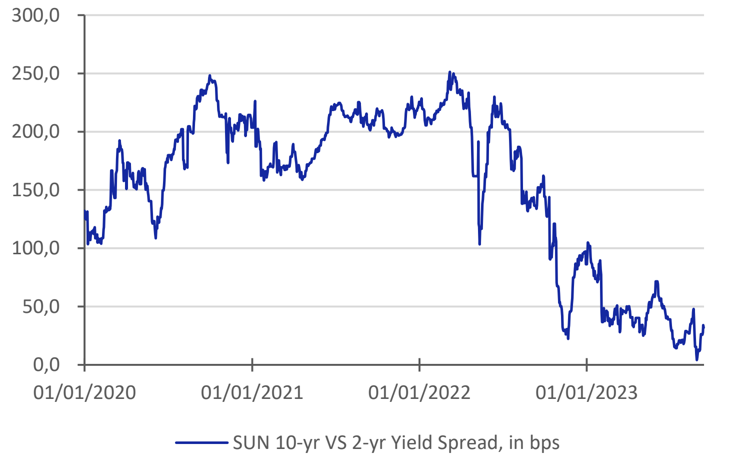
Chart 1. Samuel's Yield Curve Forecast



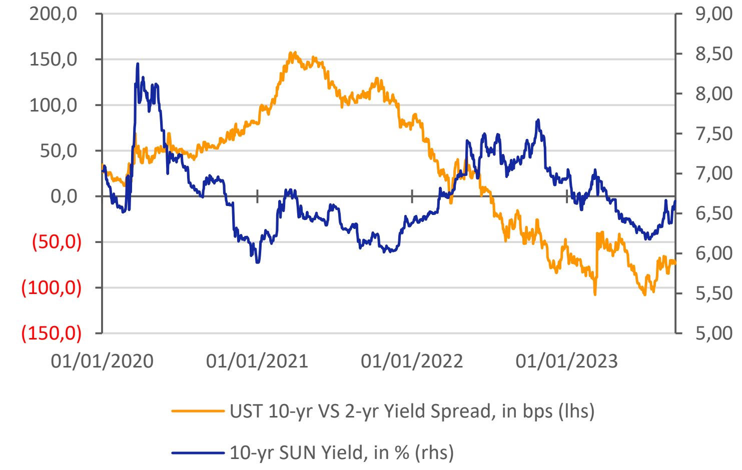
Source: Bloomberg

Chart 2. Leading Indicator for Indonesian Economic Recession



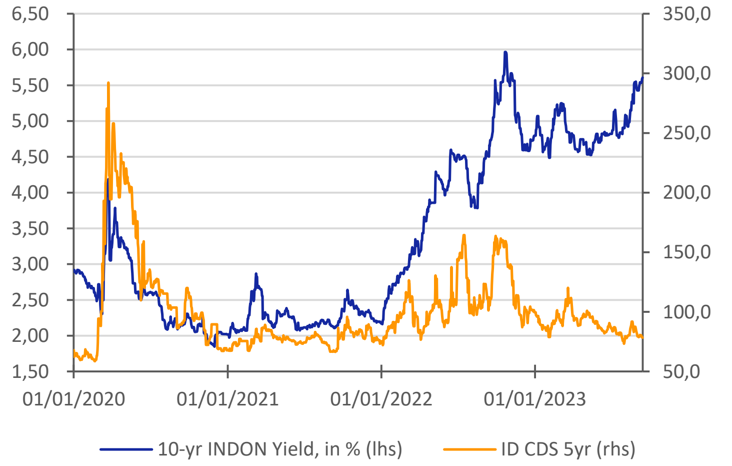
Source: Bloomberg

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



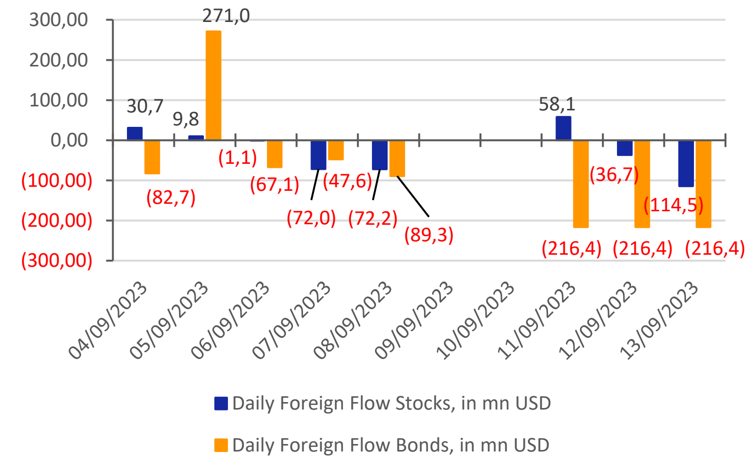
Source: Bloomberg

Chart 4. Leading Indicator for Bond Market Volatility



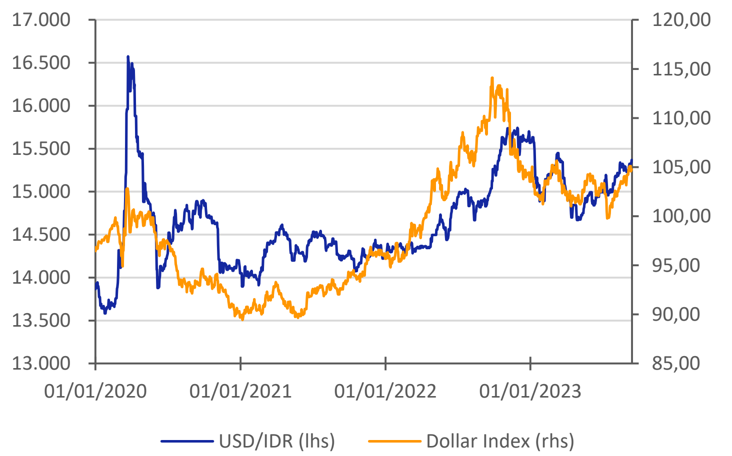
Source: Bloomberg

Chart 5. Foreign Capital Flow Indicator



Source: Bloomberg

Chart 6. Exchange Rate Indicator



Source: Bloomberg

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