

# Indonesia Market Daily

November 15, 2022

## Market Review

### JCI fell ahead of the release of the trade balance and Bank Indonesia's interest rate policy this week.

The US stock markets pause their rally last night following the gain last week which was driven by the ease of inflationary pressure. However, the Fed officials stated that it is too early for the US central bank to change its monetary policy stance. Meanwhile, the European stock markets mostly closed higher as the market pricing in an 85% probability that the Fed will raise interest rates by another 50bps to a range of 4.25%-4.50% in December, according to the CME FedWatch tool. This morning, the Asian stock markets were slightly changed as investors digested economic growth in Japan which unexpectedly shrank by 1.2% QoQ in 3Q22 from 4.6% QoQ growth in 2Q22, while the market also awaits the industrial production and retail sales data from China.

JCI was down by -69.81 points (-0.98%) to 7,019.39 in line with the other Asian stock market following the Fed official's statement which signals that the central bank will need more data to reassess the endpoint for rates. Following that comment, the Technology (-2.31%) sector dropped and dragged down the JCI. From inside the country, investors also took a wait-and-see stance before the trade balance and BI's interest rate decision scheduled this week. Meanwhile, the Consumer Non-Cyclical (+0.67%) sector was still able to be closed higher as the country's retail sales remained solid in October 2022. This was confirmed by a 4.51% YoY growth in the Real Sales Index (RSI) to a level of 204.3. In September 2022, the retail sales survey indicated a solid 4.56% YoY RSI growth to a level of 198.1. The Healthcare (+0.66%) sector followed the higher closing amid the increase of the Covid-19 transmission which push the government to extend the implementation of community activity restrictions (PPKM) throughout the country.

Trading Value: IDR 12.56trn  
Foreign Net Sell: IDR 1.03trn

### Bond yields moved lower while BI is projected to raise interest rates again. 2Y:6.635%(-0.38bp)/10Y:7.394(-0.76bp)

Bond yields of 2-year and 10-year were still in a lower trend as Bank Indonesia is estimated to increase the benchmark interest rate by 25bps to 5.00%. The decision will take into account October's inflation that slowdown to 5.71% and the Rupiah exchange rate that has strengthened again. Meanwhile, the Indonesian Stock Exchange (IDX) recorded the total issuance of bonds and Sukuk in 2022 of 115 from 71 issuers worth IDR 145.30trn which brings the total bonds and Sukuk listed on the IDX totalled 521 issuances with an outstanding value of IDR 466.19trn and USD 47.5mn, issued by 126 issuers.

### The Rupiah depreciated as the downshift in inflation will be too little for the Fed to end its hawkish stance.

FX: USD/IDR: 15,520 (+0.16%)

The Rupiah was weakened against the US Dollar as the US Treasury yields advance and the US Dollar strength after the Fed Governor stated that policymakers had a ways to go before ending interest rate hikes. Locally, the country will announce the trade balance data which stood at USD 4.99bn last September. For October, the country's trade balance is expected to still be at a surplus, even though slightly decline compared with the figure in September.

## Company News

### PT Waskita Karya Tbk (WSKT)

WSKT will receive state equity participation (PMN) of IDR 3trn through a rights issue. In order to maintain the composition of government ownership in WSKT and minimized the risk of dilution, WSKT also targets IDR 980bn from the public so the government ownership will stay at 75% compared with 25% owned by the public. The proceeds from the rights issue will be used as working capital for strategic projects.

Source: Investor Daily

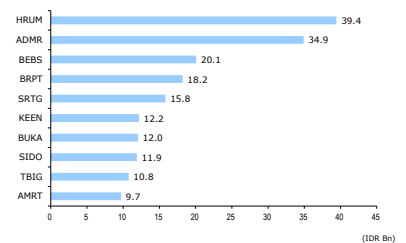
### PT Steel Pipe Industry Tbk (ISSP)

ISSP recorded sales of IDR 4.75trn in 9M22, up from sales of IDR 3.81trn in 9M21. The cost of revenue also rose from IDR 2.99trn to IDR 4.12trn, which brings the gross profit lower to IDR 634.55bn from IDR 817.99bn in the previous year. Furthermore, the net profit decreased to IDR 292.87bn from IDR 445.54bn in the previous year.

Source: IQ Plus

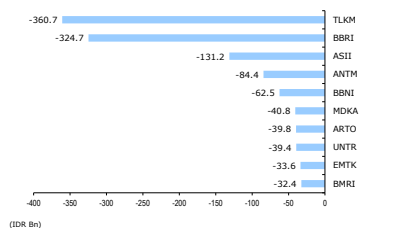
MAJOR MARKET INDICES	CHANGE	(%)
<b>US</b>		
Dow Jones	33,536.70	-211.16 -0.63%
S&P 500	3,957.25	-35.68 -0.89%
Nasdaq	11,196.22	-127.11 -1.12%
<b>Europe</b>		
FTSE 100	7,385.17	67.13 0.92%
CAC 40	6,609.17	14.55 0.22%
DAX	14,313.30	88.44 0.62%
<b>Asia</b>		
Nikkei	27,963.47	-300.10 -1.06%
Hang Seng	17,619.71	294.05 1.70%
KOSPI	2,474.65	-8.51 -0.34%

## FOREIGN MOST BUY (NET)



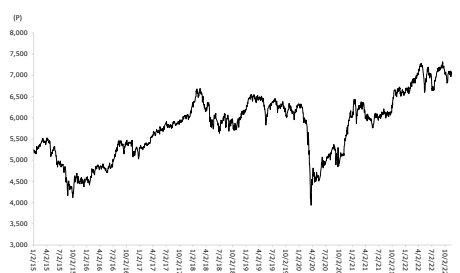
Source: IDX

## FOREIGN MOST SELL (NET)



Source: IDX

## JAKARTA STOCK EXCHANGE INDEX



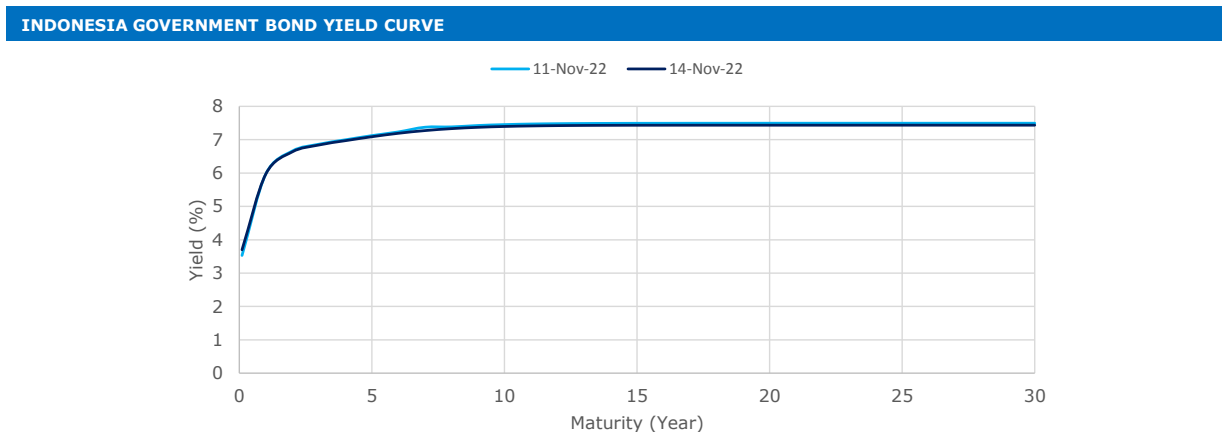
Source: IDX

**PT Intiland Development Tbk (DILD), a property and real estate developer, plans to issue Shelf-Registration Sukuk Ijarah I Phase III Year 2022 with a principal of IDR 250bn.** The Sukuk will be offered in two series, A and B, for the same amount of principal, IDR 125bn each. The ijarah yield installment for series A is set to IDR 12.86bn per year or equivalent to 10.30% per year, while series B's yield is set to IDR 13.25bn or approximately 10.60% per annum. For the record, the Sukuk Ijarah I Phase II of DILD is included in DILD's public offering program of shelf-registration sukuk ijarah with a target of IDR 750bn of fresh funds. In the previous phase, the company had issued another set of sukuk ijarah worth IDR 500bn. The public offering of this sukuk ijarah of DILD is scheduled to take place from November 22 to 23, 2022.

**Fitch affirms Indonesia's BCA Finance at 'AA+(idn)'; Outlook stable.** Fitch Ratings Indonesia has affirmed PT BCA Finance's (BCAF) National Long-Term Rating at 'AA+(idn)' and National Short-Term Rating at 'F1+(idn)'. The outlook is stable. BCAF's Standalone Credit Profile reflects its stable asset quality, above-average profitability, and capitalization, as well as high levels of regular funding support through off-balance-sheet joint-financing facilities from BCA, which made up 98% of the subsidiary's outstanding funding base at end-June 2022. BCAF's Standalone Credit Profile does not directly drive its ratings, which are primarily driven by expectations of parental support.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	5.97	5.98	-0.002	-0.240
2.0	6.63	6.66	-0.025	-2.510
3.0	6.84	6.86	-0.024	-2.350
4.0	6.97	7.00	-0.027	-2.660
5.0	7.09	7.12	-0.034	-3.370
6.0	7.19	7.23	-0.042	-4.150
7.0	7.27	7.37	-0.101	-10.097
8.0	7.33	7.38	-0.052	-5.220
9.0	7.37	7.42	-0.055	-5.510
10.0	7.39	7.45	-0.057	-5.680
15.0	7.43	7.49	-0.059	-5.880
20.0	7.43	7.49	-0.059	-5.890
30.0	7.43	7.49	-0.059	-5.890

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0090 (5Y)	6.835	-4.17	93.57	16.07
FR0091 (10Y)	7.049	-4.53	95.41	30.09
FR0093 (15Y)	6.979	2.09	94.50	-18.14
FR0092 (20Y)	7.116	0.80	100.09	-8.26



Source: PHEI

**Government Bond Valuation (NSS) based on Closing Price: 14-November-22**

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR63	0.50	5.63	5.24	4.77	0.47	0.48	0.00	Neutral
FR46	0.67	9.50	4.90	5.19	-0.29	0.63	0.01	Neutral
FR39	0.75	11.75	4.99	5.37	-0.38	0.70	0.01	Neutral
FR70	1.33	8.38	6.22	6.15	0.07	1.23	0.02	Neutral
FR77	1.50	8.13	6.36	6.28	0.08	1.40	0.03	Neutral
FR44	1.84	10.00	6.66	6.49	0.17	1.64	0.04	Neutral
FR81	2.58	6.50	6.66	6.77	-0.11	2.28	0.07	Neutral
FR40	2.84	11.00	6.76	6.83	-0.08	2.40	0.07	Neutral
FR84	3.26	7.25	6.88	6.92	-0.04	2.81	0.10	Neutral
FR86	3.42	5.50	6.90	6.94	-0.04	3.03	0.11	Neutral
FR37	3.84	12.00	7.03	7.00	0.03	3.07	0.12	Neutral
FR56	3.84	8.38	6.92	7.00	-0.08	3.21	0.13	Neutral
FR90	4.42	5.13	6.89	7.07	-0.18	3.84	0.18	Neutral
FR59	4.50	7.00	7.07	7.08	0.00	3.80	0.17	Neutral
FR42	4.67	10.25	7.17	7.09	0.08	3.63	0.17	Neutral
FR47	5.25	10.00	7.20	7.14	0.06	4.04	0.21	Neutral
FR64	5.50	6.13	7.11	7.16	-0.05	4.57	0.25	Neutral
FR71	6.33	9.00	7.07	7.21	-0.14	4.79	0.29	Neutral
FR78	6.50	8.25	7.13	7.21	-0.09	5.02	0.31	Neutral
FR52	7.75	10.50	7.48	7.27	0.21	5.36	0.38	Neutral
FR82	7.84	7.00	7.39	7.27	0.12	5.85	0.43	Neutral
FR87	8.25	6.50	7.22	7.28	-0.06	6.14	0.47	Neutral
FR85	8.42	7.75	7.62	7.29	0.33	6.07	0.47	Neutral
FR73	8.50	8.75	7.46	7.29	0.17	6.04	0.47	Neutral
FR54	8.67	9.50	7.44	7.30	0.14	5.87	0.46	Neutral
FR91	9.42	6.38	7.05	7.32	-0.27	6.88	0.60	Neutral
FR58	9.59	8.25	7.48	7.32	0.15	6.42	0.55	Neutral
FR74	9.75	7.50	7.20	7.33	-0.12	6.75	0.59	Neutral
FR65	10.50	6.63	7.36	7.34	0.01	7.37	0.69	Neutral
FR68	11.33	8.38	7.42	7.36	0.06	7.30	0.72	Neutral
FR80	12.58	7.50	7.47	7.39	0.08	7.82	0.84	Neutral
FR72	13.50	8.25	7.48	7.40	0.08	8.24	0.93	Neutral
FR88	13.59	6.25	7.23	7.40	-0.18	8.57	1.00	Neutral
FR45	14.50	9.75	7.20	7.42	-0.22	8.38	0.98	Neutral
FR75	15.50	7.50	7.42	7.43	-0.01	9.10	1.15	Neutral
FR50	15.67	10.50	7.43	7.43	0.00	8.33	1.02	Neutral
FR79	16.42	8.38	7.54	7.44	0.10	9.07	1.18	Neutral
FR83	17.42	7.50	7.47	7.45	0.02	9.58	1.32	Neutral
FR57	18.50	9.50	7.79	7.46	0.33	9.34	1.30	Neutral
FR62	19.42	6.38	7.42	7.47	-0.06	10.47	1.59	Neutral
FR92	19.58	7.13	7.07	7.47	-0.41	10.20	1.55	Neutral
FR67	21.25	8.75	7.57	7.49	0.08	10.01	1.55	Neutral
FR76	25.50	7.38	7.52	7.52	-0.01	11.31	2.02	Neutral
FR89	28.75	6.88	7.51	7.54	-0.03	11.67	2.25	Neutral

Source: Bloomberg, Shinhan Sekuritas Indonesia NSS model Calculation



Research Team		
<b>Helmi Therik, FRM</b>	Head of Research	helmi@shinhan.com
<b>Billy Ibrahim Djaya</b>	Research Analyst	billy.ibrahim@shinhan.com
<b>Anissa Septiwijaya</b>	Research Analyst	anissa.septiwijaya@shinhan.com

Office
<p><b>PT. Shinhan Sekuritas Indonesia</b> Member of Indonesia Stock Exchange</p>
<p><b>Head Office :</b> Equity Tower Floor. 50 Sudirman Central Business District Lot 9 Jl. Jend. Sudirman Kav. 52-53 Senayan Jakarta 12920 Indonesia Telp.: (+62-21) 80869900 Fax : (+62-21) 22057925</p>

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