

Indonesia Market Daily

September 30, 2022

Market Review

JCI was down for three days in a row.

The US stock market was corrected again as selling pressures continued amid concerns over the Fed's hawkish stance. In line with Wall Street, European stock markets also closed lower after Germany's September inflation was reported to reach 10.0% YoY, higher than market expectations, raising fears of a global recession. This morning Asian stock markets are poised for a lower open following the weakness in global markets, while the market will also focus on China's PMI data, which is expected to still be in contraction territory.

JCI fell again by -40.83 points (-0.58%) to 7,036.20 while the other Asian stock markets were mixed amid risk-off sentiment ahead of the German inflation data in September, with consensus forecasting inflation of 9.4% YoY, or higher than the previous period of 7.9% YoY. The Healthcare (+0.92%) and Energy (+0.14%) sectors managed to stay in the green zone. HEAL (+3.62%) shares rose significantly after ASII was rumored to increase its shareholding in HEAL. ASII currently owns 970.5 million shares or the equivalent of 6.5% ownership. In the future, ASII will also collaborate with Hermina and Halodoc to improve the health sector as a whole.

Trading Value: IDR 12.66trn
Foreign Net Sell: IDR 622.91bn

Bond yields were mixed ahead of the release of economic data that can provide the market with clues on further policy.

2Y:6.221%(+0.29bp)/10Y:7.404(-0.09bp)
Bond Yields of 2-year and 10-year were mixed as concerns about inflation and risks of a global recession overshadowed the Bank of England's move to restore the market situation. Meanwhile, German inflation in September is expected to be much higher than the previous period of 7.9%. Besides that, Fed officials continue to emphasize a hawkish view on its policies. Atlanta Fed President Raphael Bostic stated that he supports a further 125 bps rate hike later this year to fight worse-than-expected inflation. On the other hand, not only German inflation data, but the market is also waiting for US initial jobless claims data, US 2Q22 GDP, as well as China Manufacturing PMI data for September.

The Rupiah edged up even though the market was still concerned about uncontrolled inflation.

FX: USD/IDR: 15,263 (-0.02%)
The Rupiah tends to move flat because it continues to be overshadowed by hawkish steps from global central banks to tame inflation. Meanwhile, domestically, the inflation rate in September 2022 is also expected to increase significantly in line with the increase in fuel prices. Moreover, the current annual inflation is stood at 4.69% YoY, lower than the previous period of 4.94% YoY. Nevertheless, the government remains optimistic that the economy in 3Q22 can reach 5.4% - 6% YoY.

Company News

PT NFC Indonesia Tbk (NFCX)

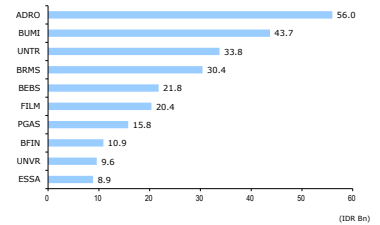
A subsidiary of PT NFC Indonesia Tbk (NFCX), the MCAS Group, namely PT Volta Indonesia, is targeting the affordable electric vehicle (EV) market through the Volta Plus+ electric motor program. Volta Plus+ is a special program for cheap electric motorbikes which starting offered from Rp. 12.7 million on the road (OTR) in Jakarta. The Volta products offered are the Volta 401 series and Virgo and the Sparklings series. In addition, Volta also introduced the Bumi Langit edition of the Mandala electric motor. This latest series electric motor has 2 battery slots with a range of up to 130 kilometers and a maximum speed of 55 kilometers per hour at a price of IDR 18.5 million OTR Jakarta.
Source: Bisnis Indonesia

PT Krakatau Steel Tbk (KRAS)

The company will reactivate the Blast Furnace Complex after Baowu Group Zhongnan Co. Ltd. was appointed as a strategic partner of Krakatau Steel in the operation of the Blast Furnace facility which has not been operated for several years. Baowu Group is a Chinese state-owned steel company that is the largest steel company in the world with a total production capacity of 120 million tons per year in 2021 (World Steel Association, 2021). The reactivation cooperation will support the availability of raw materials for the production of Krakatau Steel so as to make operational costs more competitive.
Source: Kontan

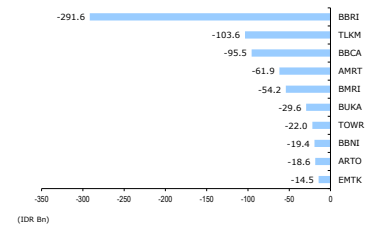
MAJOR MARKET INDICES	CHANGE	(%)
US		
Dow Jones	29,225.61	-458.13 -1.54%
S&P 500	3,640.47	-78.57 -2.11%
Nasdaq	10,737.51	-314.13 -2.84%
Europe		
FTSE 100	6,881.59	-123.80 -1.77%
CAC 40	5,676.87	-88.14 -1.53%
DAX	11,975.55	-207.73 -1.71%
Asia		
Nikkei	26,422.05	248.07 0.95%
Hang Seng	17,165.87	-85.01 -0.49%
KOSPI	2,170.93	1.64 0.08%

FOREIGN MOST BUY (NET)



Source: IDX

FOREIGN MOST SELL (NET)



Source: IDX

JAKARTA STOCK EXCHANGE INDEX



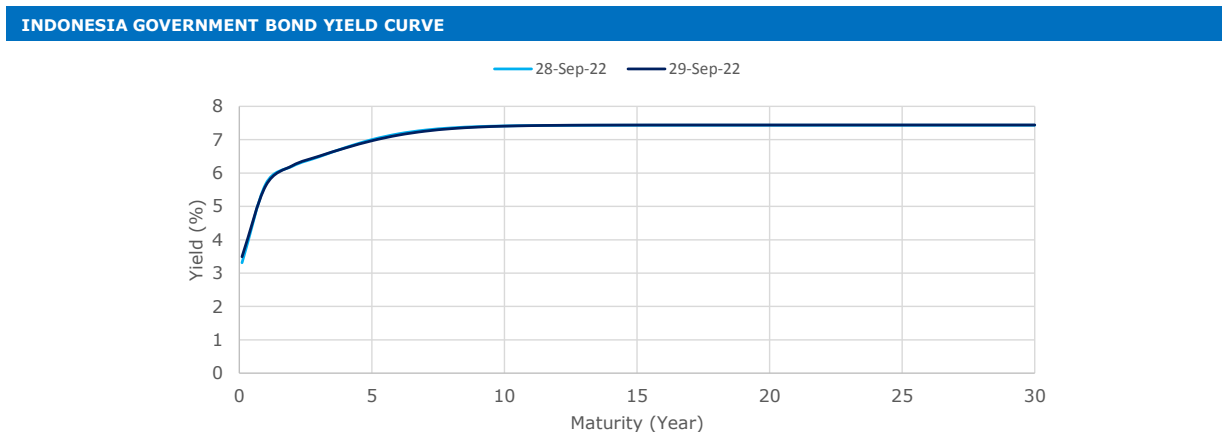
Source: IDX

Pefindo has affirmed its idA rating for PT Pembangunan Perumahan (Persero) Tbk (PTPP)'s maturing Shelf-Registered Bonds II Phase II Series A of Rp 1 trillion which will mature on November 27, 2022. PTPP will fully repay the maturing bonds from the proceeds from the sustainable bond III Phase II which was issued in April 2022 and internal cash. As of June 30, 2022, PTPP has Rp 5.7 trillion in cash on its balance sheet. PTPP is one of the largest construction and engineering, procurement, and construction (EPC) companies in Indonesia.

Pefindo has affirmed its idA+ ratings to PT Merdeka Copper Gold Tbk (MDKA) and its outstanding bonds. The company plans to repay the maturing Shelf Registered Bond II Phase II Year 2021 of IDR1.5 trillion due on November 25, 2022, using proceeds from Shelf Registered Bond III Phase III Year 2022. The outlook for the corporate rating is stable. The corporate rating reflects MDKA's vertically integrated operations in the near term, more diverse business, and sizeable reserves and resources. The rating is constrained by its moderate financial policy and capital structure and exposure to fluctuating commodity prices. The rating may be raised if MDKA successfully operates its new projects and generates higher revenue than projected followed by maintaining its profit margins which will improve MDKA's financial figures on a sustained basis.

INDONESIA GOVERNMENT BOND YIELD				
Tenor	Last (%)	Previous (%)	Change	Change (bps)
1.0	5.62	5.68	-0.052	-5.230
2.0	6.22	6.20	0.018	1.780
3.0	6.50	6.48	0.019	1.930
4.0	6.75	6.76	-0.012	-1.160
5.0	6.97	7.00	-0.033	-3.330
6.0	7.14	7.17	-0.038	-3.820
7.0	7.25	7.29	-0.032	-3.250
8.0	7.33	7.35	-0.023	-2.290
9.0	7.38	7.39	-0.014	-1.370
10.0	7.40	7.41	-0.006	-0.640
15.0	7.44	7.43	0.006	0.610
20.0	7.44	7.43	0.007	0.690
30.0	7.44	7.43	0.007	0.700

BENCHMARK PRICE				
Series	Yield (%)	Change (bps)	Price (%)	Change (bps)
FR0090 (5Y)	6.710	-3.97	93.88	15.12
FR0091 (10Y)	7.335	-6.82	93.49	44.29
FR0093 (15Y)	7.228	-2.56	92.32	21.86
FR0092 (20Y)	7.393	-7.47	97.23	74.93



Source: PHEI

Government Bond Valuation (NSS) based on Closing Price: 29-September-22

Series	Tenor	Coupon	YTM	Yield Curve	Spread to yield Curve	Mod Dur (Mid)	Convexity	Trading Idea
FR61	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR43	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FR63	0.62	5.63	5.39	4.76	0.63	0.59	0.01	Under value
FR46	0.79	9.50	5.16	5.14	0.01	0.74	0.01	Neutral
FR39	0.88	11.75	4.78	5.30	-0.53	0.82	0.01	Over value
FR70	1.46	8.38	6.19	6.03	0.16	1.35	0.03	Neutral
FR77	1.63	8.13	6.24	6.16	0.08	1.46	0.03	Neutral
FR44	1.96	10.00	5.61	6.36	-0.76	1.77	0.04	Over value
FR81	2.71	6.50	6.80	6.65	0.16	2.39	0.07	Neutral
FR40	2.96	11.00	6.18	6.71	-0.54	2.53	0.08	Over value
FR84	3.38	7.25	6.57	6.80	-0.23	2.93	0.11	Neutral
FR86	3.54	5.50	6.74	6.83	-0.09	3.06	0.12	Neutral
FR37	3.96	12.00	7.03	6.89	0.14	3.19	0.13	Neutral
FR56	3.96	8.38	6.88	6.89	-0.01	3.33	0.14	Neutral
FR90	4.54	5.13	6.74	6.97	-0.23	3.85	0.18	Neutral
FR59	4.62	7.00	7.00	6.98	0.02	3.79	0.18	Neutral
FR42	4.79	10.25	6.70	6.99	-0.29	3.76	0.18	Neutral
FR47	5.38	10.00	7.12	7.05	0.08	4.16	0.22	Neutral
FR64	5.63	6.13	7.15	7.07	0.08	4.54	0.25	Neutral
FR71	6.46	9.00	7.33	7.13	0.21	4.90	0.30	Neutral
FR78	6.63	8.25	7.30	7.14	0.16	4.94	0.31	Neutral
FR52	7.88	10.50	7.23	7.20	0.02	5.50	0.39	Neutral
FR82	7.96	7.00	7.32	7.21	0.11	5.97	0.44	Neutral
FR87	8.38	6.50	7.34	7.23	0.12	6.24	0.49	Neutral
FR85	8.54	7.75	7.12	7.23	-0.11	6.01	0.47	Neutral
FR73	8.62	8.75	7.49	7.24	0.26	5.92	0.46	Neutral
FR54	8.79	9.50	7.46	7.24	0.22	5.99	0.47	Neutral
FR91	9.54	6.38	7.39	7.27	0.12	6.72	0.59	Neutral
FR58	9.71	8.25	7.44	7.28	0.16	6.54	0.57	Neutral
FR74	9.88	7.50	7.44	7.28	0.15	6.83	0.60	Neutral
FR65	10.63	6.63	7.48	7.31	0.17	7.21	0.69	Neutral
FR68	11.46	8.38	7.44	7.33	0.10	7.42	0.73	Neutral
FR80	12.71	7.50	7.48	7.37	0.11	7.93	0.86	Neutral
FR72	13.63	8.25	7.62	7.39	0.23	8.01	0.91	Neutral
FR88	13.71	6.25	7.30	7.39	-0.10	8.67	1.02	Neutral
FR45	14.63	9.75	7.36	7.42	-0.06	8.13	0.96	Neutral
FR75	15.62	7.50	7.45	7.44	0.01	8.88	1.13	Neutral
FR50	15.79	10.50	7.35	7.44	-0.09	8.47	1.05	Neutral
FR79	16.54	8.38	7.57	7.45	0.12	8.83	1.15	Neutral
FR83	17.54	7.50	7.44	7.47	-0.03	9.36	1.30	Neutral
FR57	18.63	9.50	7.58	7.49	0.08	9.18	1.29	Neutral
FR62	19.54	6.38	7.40	7.51	-0.11	10.23	1.56	Neutral
FR92	19.71	7.13	7.48	7.51	-0.03	10.10	1.53	Neutral
FR67	21.38	8.75	7.56	7.54	0.02	10.13	1.57	Neutral
FR76	25.63	7.38	7.42	7.60	-0.17	11.09	1.99	Neutral
FR89	28.88	6.88	7.26	7.63	-0.38	12.02	2.35	Neutral

Source: Bloomberg, Shinhan Sekuritas Indonesia NSS model Calculation



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