

# Daily Economic Research

29 September 2023

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Indicators	Closed		Changes (%)	
	Latest	H-1	Daily	YTD
<b>Commodities</b>				
WTI Oil Price (USD/Barrel)	91.87	90.65	0.2%	15.6%
Natural Gas (USD/mmbtu)	2.95	2.85	0.0%	-37.5%
Coal NEWC (USD/MT)	159.75	160.35	-0.4%	-60.3%
Gold (USD/Ounce)	1,865.07	1,901.86	0.0%	4.8%
Nickel LME (USD/MT)	18,859.00	19,173.00	-1.6%	-37.2%
CPO (MYR/MT)	3,643.50	3,675.50	-0.9%	-9.2%
Rice (USD/cwt)	16.19	15.86	2.1%	-10.3%
<b>Currency</b>				
Dollar Index	106.22	106.20	-0.4%	2.3%
USD/IDR	15,520.00	15,485.00	0.2%	-1.1%
EUR/IDR	16,298.00	16,377.00	-0.5%	-2.1%
GBP/IDR	18,829.00	18,882.30	0.0%	-0.1%
JPY/IDR	104.04	103.58	0.4%	-11.2%
CNY/IDR	2,120.29	2,107.83	0.6%	-5.7%
<b>Global Stock Market Indices</b>				
Dow Jones Average	33,666.34	33,618.88	0.4%	1.2%
Nasdaq	13,201.28	13,063.61	0.8%	24.7%
S&P 500	4,273.53	4,337.00	-1.5%	11.0%
FTSE 100	7,601.85	7,625.72	0.1%	1.5%
Shanghai SE	3,110.48	3,102.27	0.1%	-3.7%
Nikkei 225	32,872.52	32,359.00	-1.5%	24.0%
VIX	18.94	16.90	12.1%	-11.7%
<b>Indonesia Stock Market Indices</b>				
JCI	6,937.83	6,923.80	0.2%	1.3%
IDX 30	492.68	497.90	-1.0%	0.9%
LQ45	952.40	962.60	-1.1%	1.6%
JII	564.85	572.68	-1.4%	-3.9%
IDX SMC Comp	336.32	340.42	-1.2%	-4.2%
<b>10 Year Government Bond Yields (%)</b>				
US	4.58	4.63	-1.0%	20.0%
EU	3.59	3.58	0.3%	40.0%
England	4.59	4.36	5.3%	25.3%
Japan	0.75	0.74	1.1%	81.4%
China	2.71	2.72	-0.5%	-4.7%
<b>Indonesia SBN Yields (%)</b>				
1 Year	6.21	6.19	0.4%	15.1%
2 Year	6.29	6.27	0.3%	6.7%
5 Year	6.50	6.50	0.1%	5.7%
10 Year	6.84	6.83	0.1%	-1.1%
30 Year	6.95	6.96	-0.1%	-4.1%
Indonesia CDS 5 Year	92.09	91.10	1.1%	-7.5%
<b>Corporate Bond Yields AAA Rated (%)</b>				
1 Year	6.65	6.62	0.4%	15.1%
2 Year	6.81	6.79	0.3%	8.1%
3 Year	6.93	6.92	0.2%	2.0%
5 Year	7.19	7.09	0.1%	6.5%
ICBI	365.50	365.47	0.0%	6.0%
IndoBex -Govt	357.60	358.57	0.0%	6.1%
IndoBex-Corp.	413.91	414.95	0.0%	5.5%
<b>Global InterBank Money Market (%)</b>				
USD LIBOR 1 Month	5.43	5.43	0.0%	24.3%
USD LIBOR 12 Month	5.90	5.89	0.1%	8.3%
<b>Indonesia InterBank Money Market (%)</b>				
RP INDONESIA	5.61	5.64	-0.5%	12.7%
RP JIBOR 1 Month	6.40	6.40	0.0%	4.9%

Sources : Bloomberg, KBVS Research - treated (2023)

## DAILY OUTLOOK

The confirmation of GDP growth in the US for the 2Q23 stands at 2.1% QoQ (Cons: 2.1% QoQ, Prev: 2.0% QoQ), additionally the weekly release of Initial Jobless Claims recorded a figure of 204K (Cons: 215K, Prev: 202K) – marking a 7-month low – instilling optimism in the stock market with DJIA +0.35%, Nasdaq +0.83%, and S&P 500 +0.59%. This positive sentiment is further supported by the halt in the increase of UST yields. Yesterday, yields on UST declined, ranging from -0.8 bps (8W tenor) to -8.3 bps (3Y tenor). This trend is in response to House Speaker Kevin McCarthy's criticism of a Senate bill that extends government funding into November, reducing concerns about a partial government shutdown on 1 Oct '23. Meanwhile, amidst the turbulence in the bond market, energy traders are swiftly securing profits. This is evidenced by a -1.3% in Brent oil price and -2.0% in WTI crude prices yesterday. Today, the developments in the U.S. budget deal, along with the release of the PCE Price Index in the U.S., are anticipated to be the primary drivers of sentiment in the global market. This is in addition to the release of the GCP in the UK and preliminary CPI inflation in the EU.

On Wednesday (27/9) the yields of SUN exhibited decoupling movements, ranging from -2.4 bps (1M tenor) to +2.3 bps (1Y tenor). Meanwhile, the 10Y tenor saw a slight increase of +0.4 bps, maintaining a level of approximately 6.83%. This decoupling trend is also evident in the benchmark series of SBN and SBSN, with prices fluctuating between -0.8 points (PBS033) and -0.6 points (FR098) to +1.0 point (FR0095) and +2.1 points (PBS037). These fluctuations have resulted in limited movement in the domestic debt index, with ICBI +0.01% and ISIXC by +0.03%. Similarly, the ASEAN3 Government Bond Index +0.03%. Meanwhile, the JCI +0.2%, despite continued net foreign selling amounting to IDR0.2 Tn on 27 Sep '23. On another note, Bank Indonesia continues to promote the expansion and utilization of Local Currency Transactions through trade promotion activities, such as the "Indonesia-China Business Forum" held in Beijing, China, on 26 Sep '23. Today, developments in the regional and global context are expected to influence sentiment in the domestic market.

We estimate the 10-year SUN yield down and be between 6.70% and 6.90% for today (29/9).

## GLOBAL NEWS HIGHLIGHT

- The average rate on a 30-year fixed mortgage was at 7.31% as of 28 Sept '23, the highest since 2000. Source: Freddie Mac.
- US corporate profits in the 2Q23 increased 0.5% YoY (Cons: 1.6% YoY, Prev: -4.1% YoY) to reached USD2.60 Tn. Source: US BEA.
- The German consumer price inflation in Sep '23 dropped to 4.5% YoY (Cons: 4.5% YoY, Prev: 6.1% YoY). Source: FSO Germany.

## DOMESTIC NEWS HIGHLIGHT

- KPK brings in boxes resembling cash counting machine from the Minister SYL's residence. Source: Kompas.
- Minister of Finance officially allocates additional village funds amounting to IDR2.0 Tn and IDR3.0 Tn for high-achieving Regional Governments starting from Sep '23. Source: Bisnis Indonesia.
- Minister of Transportation announces inauguration of high-speed train JKT-BDG on 2 Oct '23. Source: Bisnis Indonesia.

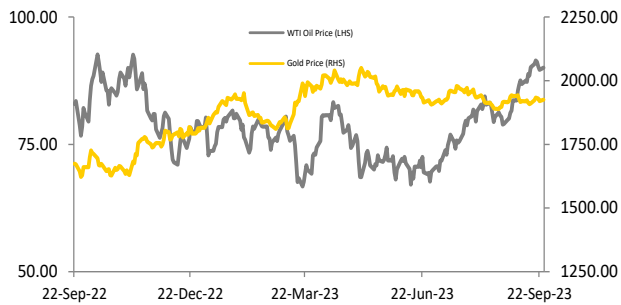
## RECOMMENDATION

FR0068, FR0071, FR0096, FR0097, FR0098, BMTP01BCN2, MEDC04ACN3

## ECONOMIC CALENDAR

TIME	COUNTRY	EVENT	ACTUAL	FORECAST	PREVIOUS	REVISE
FRIDAY, SEPTEMBER 29, 2023						
13:00	GBP	Business Investment (QoQ) (Q2)		3.40%	3.30%	
13:00	GBP	Current Account (Q2)		-14.50B	-10.80B	
13:00	GBP	GDP (YoY) (Q2)		0.40%	0.20%	

Fig 1. Crude Oil (USD/barrel) & Gold Price (USD/Ounce)



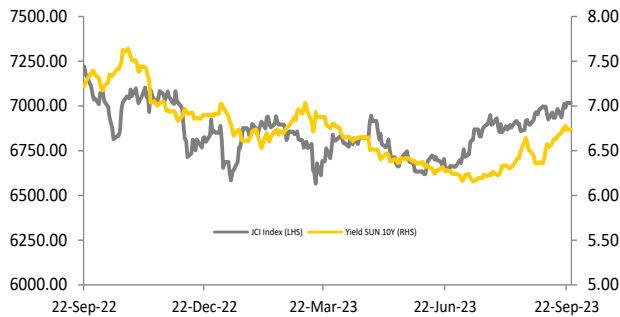
Source: Bloomberg, KBVS Research - treated (2023)

Fig 2. USD Index (Index) & USD-IDR (Rp/USD)



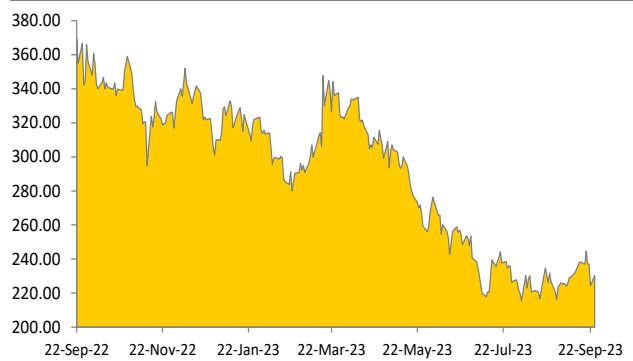
Source: Bloomberg, KBVS Research - treated (2023)

Fig 3. JCI Index (Index) & Yield SUN 10Y (%)



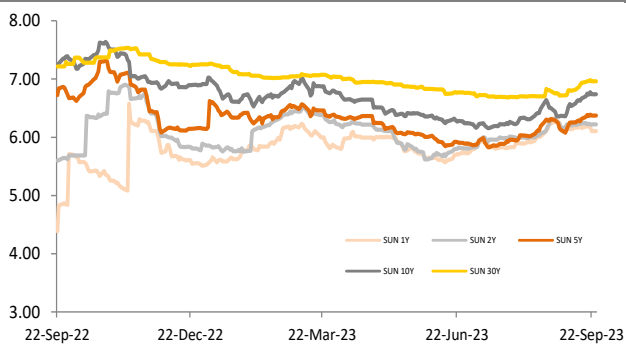
Source: Bloomberg, KBVS Research - treated (2023)

Fig 4. Yield Spread Indo 10Yr - US10Yr (bps)



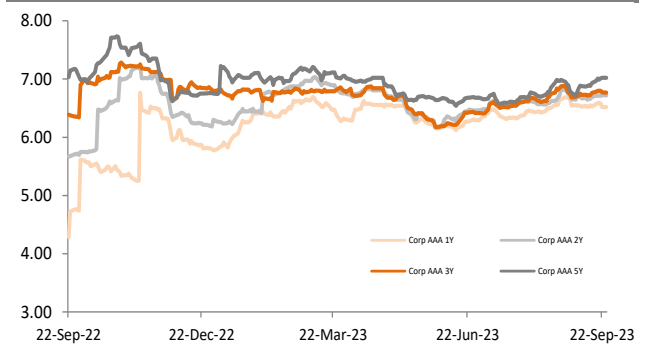
Source: Bloomberg, KBVS Research - treated (2023)

Fig 5. Indonesia's SUN Yield (%)



Source: Bloomberg, KBVS Research - treated (2023)

Fig 6. Indonesia's Corporate Bond Yield Rated AAA (%)



Source: Bloomberg, KBVS Research - treated (2023)

# Daily Economic Research

29 September 2023

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
United States				
Policy Interest Rate	%	20-Sep-23	5.50	5.50
Economic Growth	%, yoy	2Q23	2.6	1.8
Inflation Rate	%, yoy	Aug '23	3.7	3.2
Unemployment Rate	%	Aug '23	3.8	3.5
S&P Credit Rating	Rating		AA+	AA+
Euro Area				
Policy Interest Rate	%	14 Sep '23	4.50	4.25
Economic Growth	%, yoy	2Q23	0.5	1.1
Inflation Rate	%, yoy	Aug '23	5.3	5.3
Unemployment Rate	%	Jul '23	6.4	6.4
S&P Credit Rating	Rating	30-Sep-22	AA	AA
United Kingdom				
Policy Interest Rate	%	3-Aug-23	5.25	5.00
Economic Growth	%, yoy	2Q23	0.2	0.1
Inflation Rate	%, yoy	Aug '23	6.7	6.8
Unemployment Rate	%	Jul '23	4.3	4.2
S&P Credit Rating	Rating	21-Apr-23	AA	AA
Japan				
Policy Interest Rate	%	28-Jul-23	-0.10	-0.10
Economic Growth	%, yoy	2Q23	2.0	2.0
Inflation Rate	%, yoy	Jul '23	3.3	3.3
Unemployment Rate	%	Jul '23	2.7	2.5
S&P Credit Rating	Rating		A+	A+
China				
Policy Interest Rate	%	20-Sep-23	3.45	3.45
Economic Growth	%, yoy	2Q23	6.3	4.5
Inflation Rate	%, yoy	Aug '23	0.1	-0.3
Unemployment Rate	%	Jul '23	5.3	5.2
S&P Credit Rating	Rating	30-Jun-22	A+	A+

Sources : Trading Economics, KBVS Research - treated (2023)

Economic Indicators	Unit	Latest Period	Data	
			Latest	Previous
Indonesia				
Policy Interest Rate	%	21-Sep-23	5.75	5.75
Economic Growth	%, yoy	2Q23	5.2	5.0
Inflation Rate	%, yoy	Aug '23	3.3	3.1
Unemployment Rate	%	Feb '23	5.5	5.9
S&P Credit Rating	Rating	4-Jul-23	BBB	BBB
India				
Policy Interest Rate	%	10-Aug-23	6.50	6.50
Economic Growth	%, yoy	1Q23	6.1	4.4
Inflation Rate	%, yoy	Aug '23	6.8	7.4
Unemployment Rate	%	Jul '23	8.0	8.5
S&P Credit Rating	Rating	18-May-23	BBB-	BBB-
Thailand				
Policy Interest Rate	%	2-Aug-23	2.25	2.00
Economic Growth	%, yoy	2Q23	1.8	2.6
Inflation Rate	%, yoy	Jul '23	0.4	0.2
Unemployment Rate	%	2Q23	1.1	1.1
S&P Credit Rating	Rating	23-Nov-22	BBB+	BBB+
Philippines				
Policy Interest Rate	%	17-Aug-23	6.25	6.25
Economic Growth	%, yoy	2Q23	4.3	6.4
Inflation Rate	%, yoy	Aug '23	5.3	4.7
Unemployment Rate	%	Jul '23	4.8	4.5
S&P Credit Rating	Rating	18-Nov-22	BBB+	BBB+
Vietnam				
Policy Interest Rate	%	17-Mar-23	5.00	6.00
Economic Growth	%, yoy	2Q23	4.1	3.3
Inflation Rate	%, yoy	Aug '23	3.0	2.1
Unemployment Rate	%	2Q23	2.3	2.3
S&P Credit Rating	Rating	26-May-22	BB+	BB

Sources : Trading Economics, KBVS Research - treated (2023)

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