

Key Index

	Close	Chg (%)	Ytd (%)	Vol (Bn)
ASEAN				
Indonesia	6,991	-0.3	2.1	13,282
Thailand	1,514	0.4	-9.3	3,273
Philippines	6,095	0.9	-7.2	96
Malaysia	1,448	-0.2	-3.2	107
Singapore	3,203	-1.2	-1.5	600
Global				
China	3,085	-0.8	-0.1	21,868
Hongkong	17,655	-1.3	-10.7	2,046
S&P 500	4,330	-1.6	12.8	531
Nasdaq	13,224	-1.8	26.3	833
Dow Jones	34,070	-1.1	2.8	80

Currency and Interest Rate

	Rate	w-w (%)	m-m (%)	ytd (%)
IDR	15,384	-0.1	-0.3	1
7DRRR (%) - date	5.75	-	-	4.55
Govt Bond 2 yrs	6.34	-0.11	2.39	4.25
Govt Bond 5 yrs	6.41	1.07	1.06	3.32
Govt Bond 10 yrs	6.79	1.44	1.79	(2.23)

Hard Commodities

	Unit	Price	d-d (%)	m-m (%)	y-y (%)
Coal	US\$/ton	161	-0.2	7.5	(64)
Gold	US\$/toz	1,921	0.1	1.4	15
Nickel	US\$/mt. ton	19,416	-2.4	-4.9	(24)
Tin	US\$/mt. ton	25,962	-1.9	-0.5	25

Soft Commodities

	Unit	Price	d-d (%)	m-m (%)	y-y (%)
Cocoa	US\$/mt. ton	3,570	0.7	4.3	55
Corn	US\$/mt. ton	482	-1.5	1.3	(31)
Crude Oil	US\$/barrel	90	0.1	11.7	7
Palm Oil	MYR/mt. ton	3,648	0.0	-5.4	(3)
Rubber	US\$/kg	143	-1.1	8.6	5
Coffe	US\$/60 kg bags	158	-2.1	4.9	(30)
Soybean	USc/lbs	1,320	-2.0	-5.6	(11)
Sugar	US\$/MT	27	0.5	15.1	48
Wheat	US\$/mt. ton	589	-2.2	-3.9	(36)

Daily News

- Economy: BI holds rates, focuses on rupiah**

Bank Indonesia (BI) held the 6DRRR at 5.75%, where it has been since Jan 23. BI's Governor said the benchmark was consistent with the central bank's stance to ensure inflation stays within the target range in 2023 and 2024. The central bank said the inflation target range will be lowered from 1.5% to 3.5% in 2024. He also said that monetary policy remains focused on controlling the stability of the rupiah exchange rate as an anticipatory and mitigation measure against the spillover impact of global financial market uncertainty. (Kontan)

What we think: The recent appreciation of the USD and the Fed's hawkish statement make BI hold the 7DRRR. Furthermore, the rising oil price and China's economic slowdown made BI cautious about the inflation and rupiah. BI may have some room to cut the rate by the end of 2023.

- Nickel: No nickel class II smelter permit issued anymore**

The government has no longer issued new permits for nickel-class II smelters such as ferronickel (FeNi) and nickel pig iron (NPI) smelters to maintain the current supply level. The smelter owner also limited their investment in NPI and FeNi smelters while still completing the smelters that have previous permits. (Kontan)

What we think: A recent increase in supply from Indonesia caused the nickel price to fall. Thus, the smelter owners limit their expansion to increase production capacity for FeNi or NPI. Instead, they expand into other high-quality products that give better profitability margins even without any additional incentive from the government.

- Telco: PP 80/2015 will be revised; beauty contest opportunities for 700 MHz Spectrum**

The Ministry of Communication and Information (Kemenkominfo) revealed the opportunity to provide the 700MHz frequency spectrum to cellular operators through a selection method or open beauty contest in line with the government's plan to revise Government Regulation No. 80/2015 about Types and Rates of PNBP. Currently, auction is the only method for providing spectrum, including in the 700 MHz band. Kemenkominfo plans to release the 700 MHz and 2.6 GHz frequency bands at the end of 2023 or early 2024. (Bisnis Tekno)

What we think: Kemenkominfo intends to prepare the 700 MHz frequency band for 5G. However, the operator may think to maximize the use of the new spectrum for 4G since the market demand for 5G is still limited. Also, the operators would like to maximize their return from the 4G investment before deploying the capex cycle for the 5G network. We have yet to see operators deploy a significant portion of 5G development on their capex budget 2023-24. 5G may be prioritized for B2B or projects in specific locations before serving the retail market.



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Recommendation ratings

Rating	Buy	Hold	Sell
Classification	≥10%	> -10% or < 10%	≤-10%

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