



Weekly Tracker

Macro Key Event & Flows Tracker

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Helmy Kristanto

Head of Equity Research

PT BRI Danareksa Sekuritas
Gedung BRI II Lt 23, Jl. Jend. Sudirman Kav 44-46
Jakarta Pusat 10210 – Indonesia
Phone 021-50914100



@bridanareksa



BRI Danareksa Sekuritas

Market Events – Week Ahead Key Focus

Fed Chair Powell to Give Testimony



Key Economic Events for The Week

Wednesday, 1 Mar	Indonesia	Inflation Rate Feb-23
		S&P Global Manufacturing PMI Feb-23
	China	NBS Manufacturing PMI Feb-23
		Caixin Manufacturing PMI Feb-23
Thursday, 2 Mar	Eurozone	Inflation Rate Flash Feb-23
Tuesday, 7 Mar	Indonesia	Foreign Exchange Reserves Feb-23
Wednesday, 8 Mar	Indonesia	Consumer Confidence Feb-23
Thursday, 9 Mar	Indonesia	Retail Sales Survey Jan-23
	China	Inflation rate Feb-23
Friday, 10 Mar	USA	Non-farm Payroll Feb-23
		Unemployment Rate Feb-23

Source: Trading Economics, The Fed, Bank Indonesia

Week Ahead Key Focus

Inflation and Interest Rate Direction; Further strength on DXY as the market finally expects no rate cuts this year

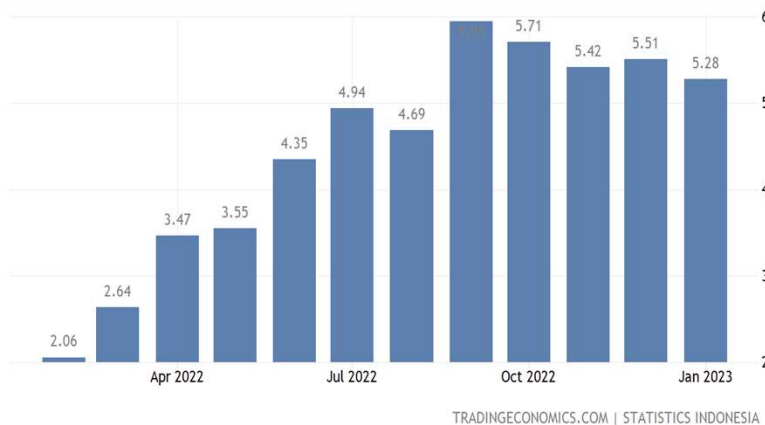
Indonesia : Inflation Rate Feb-23

- **February 2023's inflation rate will be released on 1 March**, with consensus expectations for headline inflation of 5.42%, slightly higher than Jan's 5.28%. The details on Feb's inflation will be crucial to assess Bank Indonesia's recent decision to end the rate hikes cycle, faster than other Central Banks, and especially with the potential for three more rate hikes by the Fed until June 2023. A lower-than-expected figure will further underline the view that Indonesia is in a different macro phase compared to the global economy.

USA: Fed Chairman Powell Testimony

- Federal Reserve chief Jerome Powell will testify before Congress on March 7, possibly his final public remarks on monetary policy before the FOMC meeting scheduled to take place on 22 March, when further rate hikes are expected. Lately, market expectations have been catching up with the Fed's message of no rate cuts in 2023. The DXY further strengthened to the 105 level.

Indonesia Inflation Rate



Source : Trading Economics

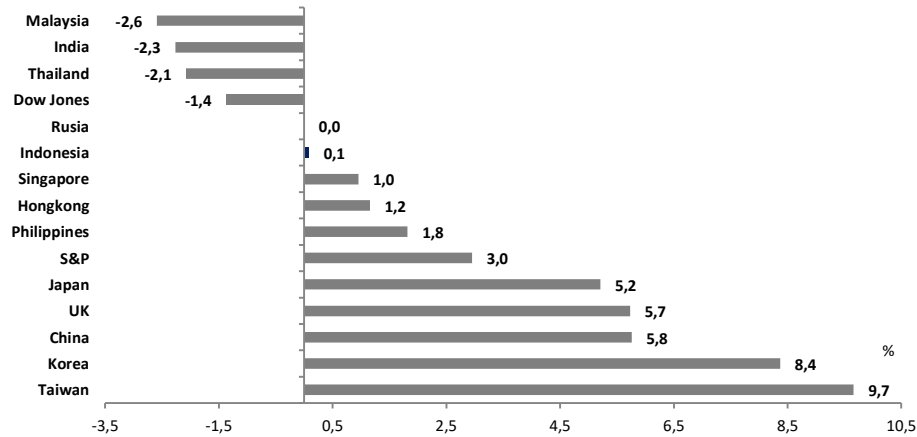
FOMC Rate Probabilities

MEETING PROBABILITIES							
MEETING DATE	450-475	475-500	500-525	525-550	550-575	575-600	600-625
3/22/2023	0.0%	72.3%	27.7%	0.0%	0.0%	0.0%	
5/3/2023	0.0%	0.0%	66.5%	31.3%	2.2%	0.0%	0.0%
6/14/2023	0.0%	0.0%	22.0%	54.8%	21.7%	1.5%	0.0%
7/26/2023	0.0%	0.0%	15.2%	44.7%	32.0%	7.8%	0.5%
9/20/2023	0.0%	0.0%	15.2%	44.7%	32.0%	7.8%	0.5%
11/1/2023	0.0%	1.6%	18.2%	43.4%	29.5%	7.0%	0.4%
12/13/2023	0.6%	8.0%	27.9%	38.0%	20.8%	4.5%	0.3%

Source : CME FedWatch

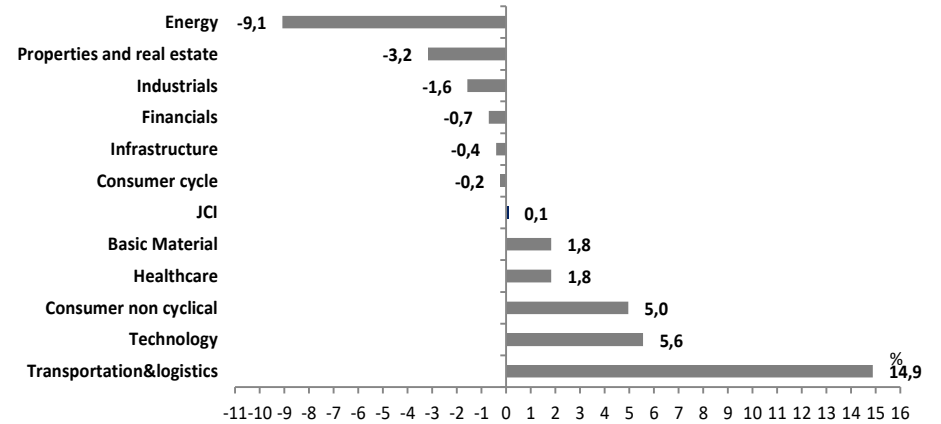
Equity Market Snapshot

Regional Markets (YTD 2023), %



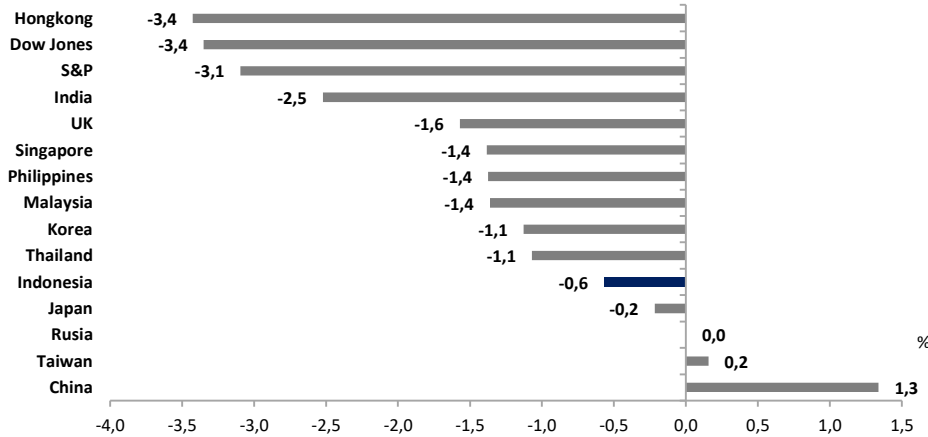
Source: Bloomberg

Sectoral Performance (YTD 2023), %



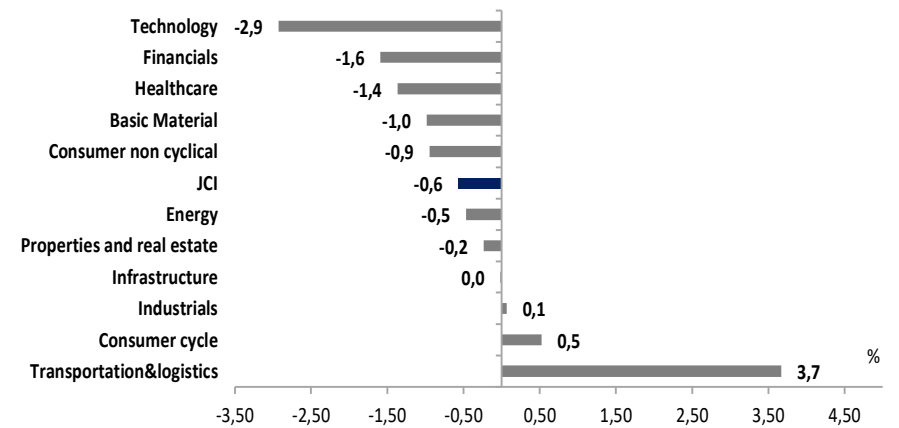
Source: Bloomberg

Regional Markets (Week-on-week; as of February 24), %



Source: Bloomberg

Sectoral Performances (Week-on-week; as of February 24), %



Source: Bloomberg

MTD Flows and Trends – 1 – 24 Feb'23

TLKM led the inflows last week, while MTD GOTO and ISAT were the least preferred

Table 1 : Top Stocks with Largest Inflow and Outflow 1 - 24 Feb'23 – IDR bn.

Ticker	Sector	Total Flow	MTD Perf	Ticker	Sector	Total Flow	MTD Perf
BBRI	Financial-Big 4 Banks	2.083,7	3,9%	GOTO	Technology	(832,4)	7,1%
BBCA	Financial-Big 4 Banks	1.639,8	2,4%	ISAT	Infrastructure	(452,4)	8,2%
BBNI	Financial-Big 4 Banks	667,7	-2,7%	UNVR	Consumer non cyclical	(213,3)	-6,7%
BMRI	Financial-Big 4 Banks	359,2	1,8%	ARTO	Financial	(202,6)	-21,2%
TLKM	Infrastructure	287,1	4,9%	ASII	Industrials	(183,1)	-4,2%
UNTR	Industrials	228,2	1,6%	KLBF	Healthcare	(172,3)	10,2%
ADRO	Energy	197,8	-2,4%	MNCN	Consumer Cyclical	(161,6)	-5,8%
BRPT	Basic Material	164,2	13,3%	HMSP	Consumer non cyclical	(154,2)	20,0%
PTBA	Energy	126,6	7,6%	GIAA	Transportation & logistics	(146,1)	-1,0%
MEDC	Energy	123,3	-20,8%	CPIN	Consumer non cyclical	(143,5)	-3,4%
SIDO	Healthcare	89,2	14,6%	AMRT	Consumer non cyclical	(143,2)	2,8%
PGAS	Energy	76,2	-1,3%	BTPS	Financial	(139,9)	-6,3%
JSMR	Infrastructure	74,3	9,2%	ADMR	Energy	(135,4)	-14,9%
ICBP	Consumer non cyclical	72,4	0,7%	INCO	Basic Material	(83,7)	-10,8%
BRIS	Financial	68,5	22,1%	BBTN	Financial	(74,5)	-1,5%
ESSA	Basic Material	61,5	6,1%	EMTK	Technology	(61,8)	-8,8%
EXCL	Infrastructure	57,5	-0,9%	ACES	Consumer Cyclical	(59,1)	5,1%
ANTM	Basic Material	56,0	-13,4%	INTP	Basic Material	(56,7)	11,0%
MYOR	Consumer non cyclical	52,0	13,1%	LPPF	Consumer Cyclical	(54,5)	13,9%
MIDI	Consumer non cyclical	48,5	12,7%	INDF	Consumer non cyclical	(51,9)	-2,2%
AGII	Basic Material	48,3	10,6%	MDKA	Basic Material	(51,0)	-8,9%
INKP	Basic Material	46,1	-3,6%	TBIG	Infrastructure	(40,2)	1,0%
SSMS	Consumer non cyclical	41,2	0,9%	AGRO	Financial	(39,9)	-6,4%
BIRD	Transportation & logistics	41,1	10,8%	TOWR	Infrastructure	(34,7)	-3,1%
BFIN	Financial	40,4	13,9%	WIKA	Infrastructure	(32,7)	-8,0%
CMRY	Consumer non cyclical	38,1	4,9%	ITMG	Energy	(29,6)	-0,5%
AKRA	Energy	37,0	6,9%	NATO	Consumer Cyclical	(27,8)	-5,6%
GGRM	Consumer non cyclical	36,8	13,4%	CMNT	Basic Material	(27,0)	-6,8%
TMAS	Transportation & logistics	36,8	28,2%	HRUM	Energy	(24,0)	-8,1%
INDY	Energy	34,9	-7,1%	AVIA	Basic Material	(21,3)	-5,4%

Source : IDX, BRI-DS

Table 2 : Focus by Sector, 1 - 24 Feb'23 – IDR bn.

Sector	Total Foreign Flow
Financial-Big 4 Banks	4.751
Energy	369
Basic Material	140
Industrials	34
Properties and real estate	26
Healthcare	(46)
Transportation & logistics	(77)
Infrastructure	(121)
Consumer Cyclical	(238)
Financial	(383)
Consumer non cyclical	(388)
Technology	(938)

Net Foreign Flow

20-24 Feb: IDR 213.8 bn;
13-17 Feb: IDR (1,004) bn;
6-10 Feb: IDR 2,702 bn;
30 Jan-3 Feb: IDR 581 bn;
24-27 Jan: IDR 1,207 bn;
16-20 Jan: IDR 554 bn

- Heavy outflows of c. IDR 1 tn in the 3rd week of February reversed with moderate inflows of IDR 213.8 bn last week, with the focus remaining on the Big-4 Banks.
- One of the key foreign flow drivers last week was the revival of interest in TLKM, which enjoyed the highest foreign flows last week of IDR346b. Nonetheless, TLKM's accumulated flows amounted to net outflows of IDR 7.3 tn if calculated since the 2nd week of September.
- The energy sector remains the 2nd most favourite sector. **ADRO, PTBA, MEDC and PGAS are still the top choices**, while MTD outflows were seen in GOTO, ISAT, UNVR, ARTO and ASII.
- On a weekly basis, **TLKM led the inflows followed by BBRI and BBNI**, while BBCA and BMRI experienced selling pressure.
- MTD, foreign flows were still concentrated in the **Big-4 Banks and Energy**, while **Consumer Non-Cyclicals and Tech** were the least preferred.

Flows and Trends – 20-24 Feb 2023

	Ticker	20-Feb-23	21-Feb-23	22-Feb-23	23-Feb-23	24-Feb-23	Total Flow	1 Wk. Perf.		Ticker	20-Feb-23	21-Feb-23	22-Feb-23	23-Feb-23	24-Feb-23	Total Flow	1 Wk. Perf.
Top 20 Inflow Previous Week (20-24 Feb'23) - IDR bn.	TLKM	13,0	79,5	68,1	125,6	59,7	345,9	7,4%	Top 20 Outflow Previous Week (20-24 Feb'23) - IDR bn.	BBCA	(49,1)	(24,0)	17,5	(35,5)	(87,8)	(178,9)	-0,6%
	BBRI	85,8	32,0	107,4	41,6	15,5	282,4	-2,5%		ASII	(42,5)	(19,3)	(24,9)	(44,5)	38,8	(92,4)	1,3%
	BBNI	151,9	61,9	(22,2)	1,9	18,4	211,8	-4,0%		BTPS	(17,6)	(30,7)	(25,1)	(1,7)	(1,5)	(76,5)	-0,8%
	MDKA	9,3	75,0	25,6	(41,2)	50,7	119,3	-9,5%		BRIS	0,3	(10,1)	(4,3)	(40,4)	(8,4)	(62,9)	-5,0%
	UNTR	3,0	4,1	18,8	25,6	35,1	86,7	1,3%		HMSP	(36,7)	(28,5)	(0,3)	6,0	6,8	(52,7)	8,3%
	BRPT	16,9	13,4	10,9	23,6	17,0	81,8	4,5%		ARTO	6,1	1,4	(41,4)	(3,4)	(12,4)	(49,8)	-15,1%
	AGII	(0,4)	0,5	1,5	17,7	25,9	45,2	2,3%		MNCN	(4,8)	(2,6)	(8,9)	(27,4)	(1,6)	(45,3)	-5,1%
	ESSA	(19,5)	(24,6)	(5,6)	2,1	78,5	31,0	6,6%		GGRM	(2,7)	(14,4)	(27,6)	0,7	(0,2)	(44,3)	-1,1%
	PTBA	2,0	(0,0)	3,8	5,4	19,1	30,1	4,9%		ISAT	(36,7)	(17,2)	15,0	1,5	(4,4)	(41,7)	1,5%
	AKRA	(3,2)	(0,9)	1,0	15,5	15,3	27,6	6,1%		BUMI	(23,4)	(24,5)	(2,8)	0,1	8,9	(41,7)	-4,9%
	CMRY	1,5	7,6	8,6	5,2	2,6	25,5	-4,0%		INDF	(15,4)	(21,5)	5,0	(10,3)	0,7	(41,5)	-0,4%
	MTEL	5,1	6,5	9,8	0,2	3,4	25,1	-1,4%		KLBF	(7,8)	(10,3)	(14,6)	(12,2)	4,0	(40,9)	0,9%
	AUTO	0,6	8,7	5,4	4,4	3,8	22,9	22,3%		ITMG	(0,8)	(18,1)	(8,3)	(1,7)	(11,6)	(40,6)	2,6%
	EXCL	38,0	1,5	(5,2)	(12,8)	0,9	22,4	1,3%		NATO	(8,0)	(13,4)	(9,3)	(4,3)	(5,3)	(40,2)	-2,5%
	TMAS	2,5	2,6	3,0	6,5	4,0	18,7	14,1%		UNVR	(3,7)	(10,7)	7,5	(9,2)	(22,8)	(38,9)	-3,5%
	INKP	9,2	3,3	(1,3)	0,4	6,5	18,2	0,9%		BUKA	(21,5)	0,2	(4,7)	(5,9)	(2,8)	(34,6)	-2,2%
	HRTA	0,0	0,1	11,3	3,8	0,1	15,4	61,5%		ANTM	35,1	(29,1)	(14,3)	(20,1)	(5,2)	(33,6)	-4,3%
	GOTO	(102,7)	(21,1)	29,3	59,1	50,7	15,3	-4,0%		ADMR	(2,3)	(2,8)	(12,2)	(6,0)	(7,5)	(30,7)	-3,8%
	ADRO	(31,1)	1,9	29,3	3,6	9,7	13,4	0,3%		LPPF	(6,0)	(5,1)	(4,0)	(4,4)	(4,2)	(23,7)	-3,4%
	BFIN	(8,9)	(0,5)	13,5	3,3	4,5	11,9	-1,1%		BMRI	(4,9)	7,5	(57,3)	(48,6)	81,1	(22,3)	-1,7%
LSIP	5,9	2,3	(0,1)	0,0	3,8	11,9	2,8%	WIKA	(1,0)	(6,9)	(4,9)	(3,1)	(1,1)	(16,9)	-6,6%		
ERAA	9,4	5,2	4,9	2,0	(9,8)	11,8	-1,8%	MAPI	(4,6)	6,5	(1,1)	(8,5)	(9,1)	(16,8)	7,0%		
MAPA	6,7	2,6	3,0	0,3	(1,5)	11,2	5,2%	SRTG	(7,7)	2,5	(9,5)	(4,4)	2,4	(16,6)	-2,2%		
INCO	4,0	10,7	(5,4)	(14,6)	16,3	11,0	-2,2%	CASA	(4,1)	(3,6)	(6,9)	(1,1)	1,3	(14,5)	-1,4%		
MPMX	0,5	3,0	(0,3)	5,9	0,5	9,7	3,4%	AVIA	(2,2)	(0,2)	(5,0)	(0,7)	(6,3)	(14,4)	-3,9%		
BNGA	7,1	(3,5)	2,1	1,1	(0,7)	6,0	0,8%	CPIN	(0,0)	(11,3)	1,3	(5,1)	1,2	(13,9)	-3,0%		
SSIA	1,3	0,6	1,4	0,5	1,5	5,4	1,0%	HRUM	(3,4)	(6,8)	(2,8)	(0,6)	0,6	(13,1)	-0,9%		
BSBK	0,6	4,4	0,6	0,1	(0,7)	5,0	13,0%	BIPI	(2,8)	(2,9)	(2,4)	(4,4)	(0,2)	(12,9)	-5,5%		
TKIM	0,7	1,5	0,2	1,7	0,5	4,4	2,2%	PGAS	(0,8)	0,2	(8,4)	(0,1)	(3,6)	(12,7)	-4,1%		
BJBR	0,5	1,6	0,5	0,3	1,5	4,3	-0,4%	CMNT	(2,7)	(3,5)	(2,3)	(2,5)	(1,5)	(12,5)	-4,8%		

Flows and Trends - Sectoral View

Ticker	Wk. 3 Jan-23	Wk. 4 Jan-23	Wk. 1 Feb-23	Wk. 2 Feb-23	Wk. 3 Feb-23	Wk. 4 Feb-23	Total	6 Wk. Perf.
Basic Material	508,2	260,4	194,2	18,9	(125,8)	227,3	1.083,2	
ANTM	177,0	29,6	58,4	85,7	34,4	(33,6)	351,5	-7,0%
INCO	19,3	(1,2)	(42,5)	(38,2)	(34,9)	11,0	(86,5)	-10,8%
INTP	(13,7)	(28,0)	(10,4)	(39,4)	(4,4)	(9,5)	(105,5)	8,0%
MDKA	331,8	250,0	144,1	(83,1)	(132,6)	119,3	629,5	-4,4%
TPIA	(5,8)	2,8	(5,9)	8,0	4,7	(3,5)	0,2	-1,7%
SMGR	(22,8)	21,0	(34,6)	108,7	(72,3)	3,8	3,9	2,8%
Consumer cyclicals	(49,4)	(78,4)	26,4	(76,9)	(150,9)	(55,9)	(385,1)	
ACES	(16,5)	(84,0)	(3,7)	(17,6)	(46,9)	0,8	(167,8)	14,4%
MAPI	(19,5)	(3,8)	30,2	37,5	(33,9)	(16,8)	(6,3)	23,6%
MNCN	(22,7)	(32,5)	(45,8)	(47,5)	(48,5)	(45,3)	(242,4)	-3,0%
LPPF	0,5	(1,8)	0,7	(2,6)	(29,2)	(23,7)	(56,2)	22,5%
SCMA	(6,0)	2,0	10,7	2,7	(5,9)	1,6	5,1	3,7%
WOOD	(0,4)	0,2	(0,2)	(0,2)	(0,2)	(3,2)	(3,9)	25,5%
Consumer non cyclical	239,5	(17,9)	(129,9)	(35,8)	(180,6)	(165,6)	(290,2)	
AMRT	10,0	(5,0)	(248,4)	(38,4)	(18,9)	0,7	(300,1)	5,4%
AAJI	1,6	3,5	1,4	(0,4)	0,2	1,4	7,8	5,7%
HMSP	21,0	18,5	(46,7)	(28,9)	(20,4)	(52,7)	(109,3)	41,8%
ICBP	20,9	25,5	84,3	2,7	27,6	(11,5)	149,6	-2,6%
INDF	33,7	(10,7)	63,3	21,4	(83,5)	(41,5)	(17,3)	-1,9%
UNVR	48,0	43,9	(40,6)	(28,5)	(120,4)	(38,9)	(136,5)	-9,2%
Energy	174,4	81,8	87,5	325,9	147,5	(96,3)	720,9	
ADRO	41,8	45,1	86,6	129,5	(21,0)	13,4	295,4	-8,0%
INDY	5,3	9,3	16,6	16,9	12,2	(1,2)	59,0	-12,5%
ITMG	(8,5)	(16,9)	(19,9)	36,8	7,5	(40,6)	(41,5)	2,1%
MEDC	(3,1)	41,1	11,1	13,2	91,8	1,6	155,7	-3,5%
PGAS	(19,2)	(23,4)	(18,0)	72,2	39,2	(12,7)	38,1	-1,0%
PTBA	15,4	15,3	(17,8)	78,9	26,4	30,1	148,3	9,9%
Financial	53,6	(59,6)	(60,4)	(18,6)	(144,9)	(231,3)	(461,2)	
ARTO	9,6	(3,4)	(8,5)	(55,0)	(113,3)	(49,8)	(220,4)	-17,0%
BBTN	28,1	22,3	(1,1)	(17,2)	(48,7)	(11,3)	(27,8)	8,1%
BBYB	1,3	3,8	7,5	(9,4)	2,7	1,4	7,3	-7,8%
BTPS	(12,4)	(9,0)	(15,2)	(13,5)	(53,3)	(76,5)	(179,8)	-9,8%
BRIS	15,1	(31,0)	(16,0)	(2,5)	128,7	(62,9)	31,5	23,5%
SRTG	22,5	29,6	(36,6)	3,3	13,2	(16,6)	15,5	-4,3%
Financial-Big 4 Banks	(474,5)	548,4	221,2	2.812,5	705,1	293,0	4.105,7	
BBCA	(568,9)	721,9	118,3	1.277,6	206,9	(178,9)	1.576,9	7,8%
BMRI	(213,9)	(437,5)	(511,9)	654,8	(91,0)	(22,3)	(621,9)	10,4%
BBNI	131,4	475,4	83,3	208,9	149,6	211,8	1.260,5	2,6%
BBRI	176,9	(211,4)	531,5	671,2	439,6	282,4	1.890,2	6,3%

Ticker	Wk. 3 Jan-23	Wk. 4 Jan-23	Wk. 1 Feb-23	Wk. 2 Feb-23	Wk. 3 Feb-23	Wk. 4 Feb-23	Total	6 Wk. Perf.
Healthcare	71,6	84,6	48,7	(37,6)	52,2	(67,0)	152,5	
HEAL	(7,9)	(6,9)	3,3	(1,9)	(3,3)	(5,8)	(22,5)	-5,1%
KAEF	(0,0)	0,0	0,0	(0,0)	0,0	(0,1)	(0,0)	1,6%
KLBF	59,5	34,6	(50,1)	(38,2)	(42,1)	(40,9)	(77,3)	10,7%
SIDO	(5,0)	2,8	1,7	6,5	63,1	3,9	73,0	18,5%
SILO	1,3	2,3	2,0	0,4	0,7	(1,7)	5,0	3,1%
PRDA	(1,7)	6,0	4,4	4,6	(1,8)	2,3	13,9	11,3%
Industrials	150,7	(14,2)	94,2	51,3	(83,8)	(23,6)	174,6	
ASII	72,1	6,0	90,3	(52,3)	(92,8)	(92,4)	(69,1)	5,5%
UNTR	70,6	(25,5)	(10,0)	88,4	23,5	86,7	233,6	3,3%
Infrastructure	9,1	156,8	25,1	(136,9)	(377,8)	331,6	8,0	
ADHI	2,5	0,8	(0,8)	(2,3)	0,7	(0,4)	0,5	5,6%
EXCL	(3,6)	(11,8)	21,2	9,1	21,6	22,4	58,9	0,4%
ISAT	(35,0)	(6,0)	(3,7)	(88,9)	(313,1)	(41,7)	(488,4)	8,6%
JSMR	1,3	8,1	42,8	18,4	13,6	1,0	85,1	8,8%
MTSL	(35,4)	(41,0)	(32,0)	(17,6)	17,3	25,1	(83,6)	0,7%
TLKM	88,1	297,3	5,4	(1,1)	(76,7)	345,9	659,0	6,9%
TOWR	8,5	(33,9)	3,9	(23,7)	(28,5)	0,8	(72,9)	-4,8%
TBIG	(2,6)	(24,6)	(13,7)	(24,4)	(9,3)	(3,3)	(77,9)	-1,4%
Properties and real estate	8,4	6,6	29,3	4,7	(27,3)	11,2	32,9	
ASRI	0,0	(0,2)	(1,2)	(0,5)	(0,9)	(0,4)	(3,3)	3,9%
BEST	(0,3)	(0,5)	0,7	0,1	0,3	0,1	0,4	15,0%
CTRA	7,6	3,4	17,9	(1,2)	(18,8)	(0,7)	8,3	5,0%
DMA8	0,5	(0,8)	(2,6)	(1,5)	(0,5)	1,3	(3,7)	5,1%
PWON	(11,1)	(7,1)	3,5	9,2	1,8	(3,0)	(6,7)	0,4%
SMRA	(3,8)	12,8	(10,1)	(2,0)	(12,4)	3,0	(12,5)	1,8%
Technology	(99,8)	224,6	80,1	(183,4)	(771,4)	(28,9)	(778,9)	
BUKA	(25,4)	38,1	11,7	49,6	(19,6)	(34,6)	19,8	0,0%
EMTK	(22,4)	(39,5)	(24,3)	(24,2)	(14,2)	(8,5)	(133,1)	-2,5%
GOTO	(50,9)	228,3	93,0	(190,1)	(733,2)	15,3	(637,7)	-64,5%
MTDL	2,5	1,1	2,8	2,2	1,1	(0,1)	9,6	5,5%
Transportation & logistics	(40,9)	10,3	(36,9)	(25,4)	(48,2)	13,0	(128,0)	
ASSA	0,6	(0,8)	2,3	(4,3)	3,3	(8,5)	(7,5)	36,4%
BIRD	14,0	13,0	27,1	7,9	6,2	2,2	70,4	27,0%
SMDR	3,0	(6,9)	(3,4)	(4,7)	(0,7)	2,1	(10,6)	10,3%
Legends	<ul style="list-style-type: none"> Outflow > IDR 10bn Outflow between 0 - IDR 10bn Inflow between 0 - IDR 10bn Inflow > IDR 10bn 							

Last Week Key Events

US GDP Report



USA: GDP Growth Rate 2nd Est. Q4-22; PCE Price Index Jan-23

- **US Real GDP increased at an annual rate of 2.7% in the Q4-22, according to the 2nd estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2%. In the advance estimate, the increase in real GDP was 2.9%.**
- Meanwhile from the 2021 annual level to the 2022 annual level, Real GDP increased 2.1% in 2022, compared with an increase of 5.9% in 2021.
- PCE price index increased 3.7%, an upward revision of 0.5 ppt. Excluding food and energy prices, the PCE price index increased 4.3%, an upward revision of 0.4 ppt. (US BEA)

Indonesia: Balance of Payment Q4-22

- **Indonesia's Balance of Payments (BOP) in the Q4-22 amassed a USD 4.7 bn surplus, increased from the USD 1.3 bn deficit recorded in the previous period. The current account recorded a USD 4.3 bn surplus (1.3% of GDP), after posting a USD 4.5 bn surplus (1.3% of GDP) in the Q3-22.** Meanwhile, the capital and financial account deficit narrowed from USD 5.5 bn (1.6% of GDP) in the Q3-22 to USD 0.4 bn deficit (0.1% of GDP) in the Q4-22.

U.S GDP Growth Rate and PCE Price Index

	Advance Estimate	Second Estimate		Advance Estimate	Second Estimate
	(Percent change from preceding quarter)			(Percent change from 2021 annual level to 2022 annual level)	
Real GDP	2.9	2.7	Real GDP	2.1	2.1
Current-dollar GDP	6.5	6.7	Current-dollar GDP	9.2	9.2
Gross domestic purchases price index	3.2	3.6	Gross domestic purchases price index	6.8	6.8
PCE price index	3.2	3.7	PCE price index	6.2	6.3
PCE price index excluding food and energy	3.9	4.3	PCE price index excluding food and energy	5.0	5.0

Source : US Bureau of Economic Analysis

Fed Stance: Higher For Longer situation; Addressing market expectation

To maintain a restrictive policy stance



Excerpt from FOMC Feb Minutes Meeting

1

Higher For Longer

The key message of more rate hike ahead: “All participants continued to anticipate that **ongoing increases in the target range for the federal funds rate would be appropriate** to achieve the Committee’s objectives.”

A few participants stated that they favored raising the target range for the federal funds rate **50 basis points** as larger increase would more quickly bring the target range close to the sufficiently restrictive stance levels.

In the March 23 meeting, the **Fed will release the new quarterly dot plot**, which could indicate a higher terminal rate from Dec’s 5.1%. Currently, the market anticipates up to a 5.5% terminal rate by June 23.

2

Addressing market expectation

A few participants noted that **increased confidence among market participants** that inflation would fall quickly appeared to contribute to **declines in market expectations of the federal funds rate path** beyond the near term.

Participants noted that it was important that **overall financial conditions be consistent with the degree of policy restraint** that the Committee is putting into place in order to bring inflation back to the 2 percent goal.

Participants generally noted that **upside risks to the inflation outlook remained a key factor** shaping the policy outlook, and that **maintaining a restrictive policy stance** until inflation is clearly on a path toward 2 percent is appropriate from a riskmanagement perspective

3

Balance Sheet Reduction Measure

All participants agreed that it was appropriate to **continue the process of reducing the Federal Reserve’s securities holdings**, as described in its previously announced Plans for Reducing the Size of the Federal Reserve’s Balance Sheet.

In the recent Economic Club of Washington DC event, J Powell mentioned that Fed is **shrinking the balance sheet passively through natural maturity and would take couple of years before it concludes and no specific dollar number on the target level.**

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