

Morning Brief

Daily | Dec. 21, 2021

Today's Outlook:

Government Bonds

Benchmark Strengthens Amid Lack of Sentiment. All benchmark series of Government Securities (SUN) closed higher, with yields falling between 0.3 bps to 2.1 bps. In the midst of the lack of new positive sentiment towards the end of 2021, market participants are weighing the impact of the decision for the Federal Reserve to end stimulus more quickly, as well as plans to increase interest rates. Meanwhile, several countries in the European region have begun to tighten their activities due to suppress the spread of the Omicron variant of the Covid-19 virus.

Corporate Bonds

Mandiri Tunas Finance Pays Off IDR 800 Billion Bonds. PT Mandiri Tunas Finance (MTF) has prepared funds for payment of the Mandiri Tunas Finance Bond IV Phase 1 Year 2019 Series A worth IDR 800 billion, which will mature on January 8, 2022. The Company has prepared the Bond principal amounting to IDR 800 billion along with interest to 12 of IDR 18.8 billion. For your information, next year MTF will also issue bonds whose value reaches IDR 2.7 trillion. The bonds will be issued in two stages. (Kontan)

Domestic Issue

BKPM Targets IDR 1,200 Trillion Investment. The Ministry of Investment / Investment Coordinating Board (BKPM) targets the value of direct investment in Indonesia in 2022 to reach IDR 1,200 trillion. Meanwhile, the BKPM's strategy is, as much as 40% will be encouraged to invest in the downstream sector of commodities, such as nickel, bauxite, and also tin. BKPM also directs investment in environmentally friendly industries (green industry). (Kontan)

Recommendation

Omicron Variant Hurdles Economic Recovery. US stocks fell again earlier in the week, with all three major indexes down more than 1% each. The spike in Covid-19 cases that occurred throughout the weekend, became a major source of concern for investors. Another negative sentiment came from Senator Joe Manchin's statement refusing to support the Biden administration's USD 1.75 trillion Investment program. On the other hand, concerns over the Omicron variant, which has the potential to hamper economic recovery, put pressure on sectors such as Industrial (-1.52%) and Cyclic Consumer (-1.48%).

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -1.8 Bps to 101.28 (5.16%)
FR0087 (10yr): -2.1 Bps to 100.73 (6.39%)
FR0088 (15yr): -0.3 Bps to 99.84 (6.26%)
FR0083 (20yr): -1.6 Bps to 104.42 (7.06%)

FR0090 (5.5yr): +1.3 Bps to 100.70 (4.97%)
FR0091 (10.5yr): +1.7 Bps to 100.44 (6.31%)
FR0092 (20.6yr): +0.4 Bps to 102.63 (6.88%)

CDS of Indonesia Bonds

CDS 2yr: +3.56% to 30.33
CDS 5yr: +3.44% to 78.84
CDS 10yr: +2.58% to 142.82

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.43%	-0.03%
USDIDR	14,368	0.17%
KRWIDR	12.16	0.21%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,932.16	(433.28)	-1.23%
S&P 500	4,568.02	(52.62)	-1.14%
FTSE 100	7,198.03	(71.89)	-0.99%
DAX	15,239.67	(292.02)	-1.88%
Nikkei	27,937.81	(607.87)	-2.13%
Hang Seng	22,744.86	(447.77)	-1.93%
Shanghai	3,593.60	(38.76)	-1.07%
KOSPI	2,963.00	(54.73)	-1.81%
EIDO	22.71	(0.08)	-0.35%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,790.9	(7.2)	-0.40%
Crude Oil (\$/bbl)	68.61	(2.11)	-2.98%
Coal (\$/ton)	183.15	3.05	1.69%
Nickel LME (\$/MT)	19,320	(305.5)	-1.55%
Tin LME (\$/MT)	38,222	(212.5)	-0.55%
CPO (MYR/Ton)	4,295	(113.0)	-2.56%

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	3.51%	7.07%
FX Reserve (USD bn)	145.90	145.46	Current Acc (USD bn)	4.50	(1.97)
Trd Balance (USD bn)	3.51	5.74	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	49.70%	53.35%	FDI (USD bn)	4.77	6.52
Imports Yoy	52.62%	51.06%	Business Confidence	104.82	105.33
Inflation Yoy	1.75%	1.66%	Cons. Confidence*	118.50	113.40

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	—	—	—	—	—	—	—
<i>17 - Dec.</i>	—	—	—	—	—	—	—
Monday	—	—	—	—	—	—	—
<i>20 - Dec.</i>	—	—	—	—	—	—	—
Tuesday	EC	22:00	Consumer Confidence	Dec.	—	-8.1%	-6.8%
<i>21 - Dec.</i>	—	—	—	—	—	—	—
Wednesday	US	19:00	MBA Mortgage Applications	Dec.	—	—	-4.0%
<i>22 - Dec.</i>	US	20:30	GDP Annualized QoQ	3Q21	—	2.1%	2.1%
	US	22:00	Conf. Board Consumer Confidence	Dec.	—	110.8	109.5
	US	22:00	Existing Home Sales MoM	Nov.	—	6.55Mn	6.34Mn
Thursday	US	20:30	Initial Jobless Claims	Dec.	—	—	—
<i>23 - Dec.</i>	US	20:30	Durable Goods Orders	Nov.	—	1.7%	-0.4%
	US	22:00	U. of Mich. Sentiment	Dec.	—	70.4	70.4
	US	22:00	New Home Sales	Nov.	—	765k	745k
Friday	—	—	—	—	—	—	—
<i>24 - Dec.</i>	—	—	—	—	—	—	—

Source: Bloomberg

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