

Morning Brief

Daily | Dec. 20, 2021

Today's Outlook:

Government Bonds

SUN Market Strengthens Limited. The benchmark series of Government Bonds (SUN) recorded a decline in yield over the weekend, amid negative sentiment, after the Government announced the discovery of the first Omicron variant of the Covid-19 case in Indonesia. As for external sentiment, signals from the Fed to raise interest rates next year; began to put pressure on growth-based sectors such as technology. The benchmark 20-year SUN yield returned to the psychological 7% level.

Corporate Bonds

Three New Bonds Listed This Week. During this week's trading which took place on December 13-17, 2021, there were three new bonds listed on the Indonesia Stock Exchange (IDX). First, the 2021 PNM Phase I Shelf-Registered Bonds IV with a principal value of IDR 3 trillion. PT Perneringkat Efek Indonesia (Pefindo) has assigned an idAA (Double A) rating. Second, Sustainable Bonds V Tower Bersama Infrastructure Phase II 2021 with a principal amount of IDR 1.45 trillion. PT Fitch Ratings Indonesia assigns an AA+idn (Double A Plus) rating. Third, the Shelf Registration Bond I Bussan Auto Finance Phase IV 2021 with a nominal value of IDR 500 billion. The rating result from PT Fitch Rating Indonesia is AAA(idn) (Triple A). (Kontan)

Domestic Issue

BI: 2021 Current Account Surplus. Bank Indonesia (BI) sees a potential current account surplus in 2021, or a surplus is projected in the range of 0.3% of Gross Domestic Product (GDP). This good current account performance is driven by the forecasted improvement in the current account in 4Q21. This was driven by a continuing surplus in the goods trade balance. (Kontan)

Recommendation

Lack of Positive Sentiment. 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 impose tightening activities as a result to suppress the spread of the Omicron variant of the Covid-19 virus.

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

PRICE OF BENCHMARK SERIES

FR0086 (5yr): -2.4 Bps to 101.21 (5.18%)
FR0087 (10yr): -3.2 Bps to 100.58 (6.41%)
FR0088 (15yr): -0.4 Bps to 99.81 (6.26%)
FR0083 (20yr): -2.2 Bps to 104.25 (7.08%)

FR0090 (5.5yr): -2.4 Bps to 100.76 (4.95%)
FR0091 (10.5yr): -1.0 Bps to 100.57 (6.29%)
FR0092 (20.6yr): -2.4 Bps to 102.68 (6.87%)

CDS of Indonesia Bonds

CDS 2yr: -0.05% to 29.28
CDS 5yr: +0.18% to 76.21
CDS 10yr: +0.13% to 139.23

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	35,365.44	(532.20)	-1.48%
S&P 500	4,620.64	(48.03)	-1.03%
FTSE 100	7,269.92	9.31	0.13%
DAX	15,531.69	(104.71)	-0.67%
Nikkei	28,545.68	(520.64)	-1.79%
Hang Seng	23,192.63	(282.87)	-1.20%
Shanghai	3,632.36	(42.65)	-1.16%
KOSPI	3,017.73	11.32	0.38%
EIDO	22.79	(0.18)	-0.78%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,798.1	(1.2)	-0.07%
Crude Oil (\$/bbl)	70.86	(1.52)	-2.10%
Coal (\$/ton)	156.25	(0.35)	-0.22%
Nickel LME (\$/MT)	19,648	24.0	0.12%
Tin LME (\$/MT)	38,410	(282.0)	-0.73%
CPO (MYR/Ton)	4,408	8.0	0.18%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	—	—	—	—	—	—	—
17 - Dec.	—	—	—	—	—	—	—
Monday	—	—	—	—	—	—	—
20 - Dec.	—	—	—	—	—	—	—
Tuesday	EC	22:00	Consumer Confidence	Dec.		—	-6.8%
21 - Dec.	—	—	—	—	—	—	—
Wednesday	US	19:00	MBA Mortgage Applications	Dec.		—	-4.0%
22 - Dec.	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.		—	—
23 - Dec.	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	—	—	—	—	—	—	—
24 - Dec.	—	—	—	—	—	—	—

Source: Bloomberg

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