

Morning Brief

Daily | Jan. 20, 2022

Today's Outlook:

Government Bonds

Investors Interested in Attractive Yield FR0092. Yesterday, the benchmark 20-year government bonds (SUN) recorded another 1bps decrease in yield. Compared to other benchmark series, which recorded an increase in yield between 1.7 bps to 2.5 bps. Yesterday's SUN market movement was in the midst of the conservative attitude of market players ahead of the results of today's Bank Indonesia (BI) Board of Governors (RDG) meeting, as well as the Fed meeting scheduled for next week.

Corporate Bonds

BMRI: Disburse IDR 35 Trillion KUR. PT Bank Mandiri Tbk (BMRI) has distributed People's Business Credit (KUR) of IDR 35 trillion in 2021 which was distributed to 371,182 debtors. Meanwhile, the distribution of KUR is dominated by the production sector with a composition of about 58.46% of the total distribution of KUR Bank Mandiri. (Kontan)

Domestic Issue

Regional Funds IDR 113 Trillion Settled in the Bank. The Minister of Finance (Menkeu) stated that the funds deposited in the regions were IDR 113.38 trillion as of December 2021, or the highest in the last 3 years. In fact, the Minister of Finance hopes that the transfer of funds to the regional government can reduce the economic impact caused by the COVID-19 pandemic. On the other hand, the central government did not cut transfers to the regions on a large scale in order to optimize it. (CNN Indonesia)

Recommendation

RDG results. In addition to the observed increase in US Treasury yields, market players are keeping an eye on BI sentiment, which is scheduled to release the results of the RDG this afternoon. Investors will pay close attention to the direction of monetary policy going forward. Based on a Bloomberg survey, BI is projected to maintain the BI Seven Days Reverse Repo Rate (BI 7DRRR) in January 2022 at 3.50%, or the same level since February 2021.

PRICE OF BENCHMARK SERIES

FR0090 : +1.7 Bps to 99.66 (5.19%)
FR0091 : +2.5 Bps to 99.74 (6.40%)
FR0093 : +1.9 Bps to 99.67 (6.40%)
FR0092 : -0.9 Bps to 101.30 (7.00%)

FR0086 : +3.9 Bps to 100.92 (5.25%)
FR0087 : +0.5 Bps to 100.01 (6.49%)
FR0083 : +1.4 Bps to 104.64 (7.04%)
FR0088 : +1.0 Bps to 99.13 (6.34%)

CDS of Indonesia Bonds

CDS 2yr: -2.71% to 29.91
CDS 5yr: -1.94% to 86.10
CDS 10yr: -2.27% to 156.49

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.42%	0.02%
USDIDR	14,363	0.17%
KRWIDR	12.06	0.08%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,028.65	(339.82)	-0.96%
S&P 500	4,532.76	(44.35)	-0.97%
FTSE 100	7,589.66	26.11	0.35%
DAX	15,809.72	37.16	0.24%
Nikkei	27,467.23	(790.02)	-2.80%
Hang Seng	24,127.85	15.07	0.06%
Shanghai	3,558.18	(11.73)	-0.33%
KOSPI	2,842.28	(21.96)	-0.77%
EIDO	23.08	0.05	0.22%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,840.5	26.8	1.48%
Crude Oil (\$/bbl)	86.96	1.53	1.79%
Coal (\$/ton)	180.45	(1.40)	-0.77%
Nickel LME (\$/MT)	23,355	1282.50	5.81%
Tin LME (\$/MT)	42,292	992.00	2.40%
CPO (MYR/Ton)	5,124	90.0	1.79%

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)	144.90	145.90	Current Acc (USD bn)	4.50	(1.97)
Trd Balance (USD bn)	1.02	3.51	Govt. Spending Yoy	0.66%	8.03%
Exports Yoy	35.30%	49.70%	FDI (USD bn)	4.77	6.52
Imports Yoy	47.93%	52.62%	Business Confidence	104.82	105.33
Inflation Yoy	1.87%	1.75%	Cons. Confidence*	118.30	118.50

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	CH	—	Trade Balance	Dec.	\$94.46Bn	\$73.95Bn	\$71.71Bn
14 - Jan.	US	20:30	Retail Sales Advance MoM	Dec.	-1.9%	-0.1%	0.3%
	US	21:15	Industrial Production MoM	Dec.	-0.1%	0.2%	0.5%
	US	22:00	U. of Mich. Sentiment	Jan.	68.6	70.0	70.6
	US	22:00	U. of Mich. Sentiment	Jan.	68.6	70.0	70.6
Monday	ID	11:00	Trade Balance	Dec.	\$1,020Mn	\$3,129Mn	\$3,510Mn
17 - Jan.	ID	11:00	Export YoY	Dec.	35.30%	40.70%	49.70%
	ID	11:00	Import YoY	Dec.	47.93%	39.40%	52.62%
	CH	09:00	GDP YoY	4Q21	4.0%	3.3%	4.9%
	CH	09:00	GDP YoY	4Q21	4.0%	3.3%	4.9%
Tuesday	UK	14:00	Claimant Count Rate	Dec.	4.7%	--	4.9%
18 - Jan.	UK	14:00	Jobless Claims Change	Dec.	-43.3k	--	-49.8k
	GE	17:00	ZEW Survey Expectations	Jan.	51.7	32.0	29.9
	US	20:30	Empire Manufacturing	Jan.	-0.7	25.0	31.9
	US	20:30	Empire Manufacturing	Jan.	-0.7	25.0	31.9
Wednesday	GE	14:00	CPI MoM	Dec.	0.5%	0.5%	0.5%
19 - Jan.	US	19:00	MBA Mortgage Applications	Jan.	2.3%	--	1.4%
	US	20:30	Building Permits	Dec.	1,873k	1,703k	1,717k
	US	20:30	Housing Starts	Dec.	1,702k	1,650k	1,679k
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Thursday	ID	--	Bank Indonesia 7D Reverse Repo Rate	Jan		3.50%	3.50%
20 - Jan.	GE	14:00	PPI MoM	Dec.		0.8%	0.8%
	US	20:30	Initial Jobless Claims	Jan.		225k	230k
	US	22:00	Existing Home Sales	Dec.		6.43Mn	6.46Mn
	US	22:00	Existing Home Sales	Dec.		6.43Mn	6.46Mn
Friday	EC	22:00	Consumer Confidence	Jan.		-8.7	-8.3
21 - Jan.	US	22:00	Leading Index	Dec.		0.8%	1.1%

Source: Bloomberg

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