

Morning Brief

Daily | Jan. 31, 2022

Today's Outlook:

Government Bonds

SUN Benchmark Mixed Weekend. Domestic sentiment on the increase in the number of Covid-19 cases in Indonesia, which touched 8,000 cases, became a negative catalyst for the weekend. From abroad, the Federal Open Market Committee (FOMC) meeting confirmed the plan to end the tapering-off in March 2022. On the other hand, market participants are also keeping a close eye on rising geopolitical tensions in Ukraine. Benchmark Government Bond (SUN) yields closed mixed, with yields on FR0091 at 6.44%.

Corporate Bonds

WSKT Execution of IDR 3.8 Trillion Bond Issuance. PT Waskita Karya Tbk (WSKT) targets the issuance of bonds or sukuk of IDR 3.8 trillion by mid-February 2022. In addition to completing the restructuring process, this corporate action will contribute to reducing liquidity pressure. In more detail, the funds raised will be used not to increase debt, but to refinance bonds, most of which mature this year. (Investors Daily)

Domestic Issue

Ministry of Finance Assesses IDR 300 Trillion Assets for the New Capital City. The Ministry of Finance (Kemenkeu) revealed that IDR 300 trillion worth of state assets in DKI Jakarta will be abandoned when the new capital city (IKN) moves to East Kalimantan. In more detail, state assets located in Jakarta are estimated at IDR 1,400 trillion. However, only IDR 300 trillion of which can be utilized when the capital is moved. (CNN Indonesia)

Recommendation

Domestic Economic Data. The market for the next week has the potential to be influenced by several domestic sentiments. From the release of economic data, investors will pay attention to routine data at the beginning of the month, such as the inflation rate for the January 2022 period, which by consensus is projected to penetrate the 2% YoY level. Meanwhile, Manufacturing PMI data is expected to remain in the expansion zone that has been recorded since September 2021. Market participants will also wait for more issuers to release annual performance reports, as well as monitor the development of the number of Covid-19 cases in Indonesia.

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

PRICE OF BENCHMARK SERIES

FR0090 : -0.9 Bps to 99.54 (5.22%)
FR0091 : +0.7 Bps to 99.44 (6.44%)
FR0093 : -0.5 Bps to 99.56 (6.42%)
FR0092 : -2.2 Bps to 101.74 (6.96%)

FR0086 : -2.2 Bps to 100.90 (5.25%)
FR0087 : -5.2 Bps to 99.91 (6.51%)
FR0083 : -1.8 Bps to 104.65 (7.04%)
FR0088 : -1.4 Bps to 98.89 (6.36%)

CDS of Indonesia Bonds

CDS 2yr: +1.76% to 32.08
CDS 5yr: +2.42% to 91.48
CDS 10yr: +1.52% to 165.16

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.47%	0.00%
USDIDR	14,388	0.01%
KRWIDR	11.92	-0.30%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,725.47	564.69	1.65%
S&P 500	4,431.85	105.34	2.43%
FTSE 100	7,466.07	(88.24)	-1.17%
DAX	15,318.95	(205.32)	-1.32%
Nikkei	26,717.34	547.04	2.09%
Hang Seng	23,550.08	(256.92)	-1.08%
Shanghai	3,361.44	(32.81)	-0.97%
KOSPI	2,663.34	48.85	1.87%
EIDO	23.20	0.12	0.52%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,791.5	(5.9)	-0.33%
Crude Oil (\$/bbl)	86.82	0.21	0.24%
Coal (\$/ton)	203.50	(1.25)	-0.61%
Nickel LME (\$/MT)	22,332	(66.0)	-0.29%
Tin LME (\$/MT)	41,684	(211.0)	-0.50%
CPO (MYR/Ton)	5,628	184.0	3.38%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	GE	16:00	GDP QoQ	4Q21	-0.7%	-0.3%	1.7%
28 - Jan.	US	20:30	Personal Income	Dec.	0.3%	0.5%	0.4%
	US	20:30	Personal Spending	Dec.	-0.6%	-0.6%	0.6%
	US	22:00	U. of Mich. Sentiment	Jan.	67.2	68.8	68.8
	US	22:00	U. of Mich. Sentiment	Jan.	67.2	68.8	68.8
Monday	EC	17:00	GDP QoQ	4Q21		0.4%	2.2%
31 - Jan.	EC	17:00	GDP YoY	4Q21		4.0%	3.9%
	US	21:45	MNI Chicago PMI	Jan.		62.0	64.3
Tuesday	GE	15:55	Markit Germany Mfg	Jan.		—	60.5
1 - Feb.	UK	16:30	Markit UK PMI Manufacturing	Jan.		—	56.9
	US	21:45	Markit US Manufacturing PMI	Jan.		—	59.0
	US	22:00	ISM Manufacturing	Jan.		58.0	58.8
	US	22:00	ISM Manufacturing	Jan.		58.0	58.8
Wednesday	ID	07:30	Markit Indonesia PMI Mfg	Jan.		—	53.5
2 - Feb.	ID	11:00	CPI YoY	Jan.		2.20%	1.87%
	US	19:00	MBA Mortgage Applications	Jan.		—	-7.1%
	US	20:15	ADP Employment Change	Jan.		208k	807k
	US	20:15	ADP Employment Change	Jan.		208k	807k
Thursday	UK	19:00	Bank of England Bank Rate	Feb.		0.500%	0.250%
3 - Feb.	US	20:30	Initial Jobless Claims	Jan.		—	260k
	US	22:00	Factory Orders	Dec.		0.1%	1.6%
	US	22:00	Factory Orders	Dec.		0.1%	1.6%
	US	22:00	Durable Goods Orders	Dec.		—	-0.9%
Friday	GE	14:00	Factory Orders MoM	Dec.		0.0%	3.7%
4 - Feb.	EC	17:00	Retail Sales MoM	Dec.		-0.5%	1.0%
	US	20:30	Change in Nonfarm Payrolls	Jan.		178k	199k
	US	20:30	Unemployment Rate	Jan.		3.9%	3.9%
	US	20:30	Unemployment Rate	Jan.		3.9%	3.9%

Source: Bloomberg

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