

Morning Brief

Daily | Jan. 21, 2022

Today's Outlook:

Government Bonds

Mixed SUN Market Amid RDG Results. Market participants responded to the results of the Board of Governors' Meeting (RDG) of Bank Indonesia (BI) which maintained the benchmark interest rate for the BI Seven Days Reverse Repo Rate (BI 7DRRR) and increased the Statutory Reserves (GWM) for banks. BI 7DRRR in January remained at the level of 3.50%, and the Statutory Reserves for commercial banks rose to 5%. Yesterday, the yield on the benchmark 20-year FR0092 closed at 6.99%. Furthermore, market players are also keeping a close eye on the direction of BI's monetary policy going forward.

Corporate Bonds

BBRI: Digital Transactions Grow 249.5%. PT Bank Rakyat Indonesia (Persero) Tbk (BBRI) succeeded in doubling digital banking transactions throughout 2021 with a growth of 249.5% (YoY). It is known that this transaction originates from BRI digital channel transactions including ATM, BRILink, BRIimo, Internet Banking, and so on. (Kontan)

Domestic Issue

BI Increases Statutory Reserves to 5%. Bank Indonesia (BI) has confirmed to increase the Rupiah Statutory Reserves (GWM) for commercial banks to 5%, from the current level of 3.5%. The increase in the Statutory Reserves for conventional commercial banks by 150 bps will take effect on March 1, 2022. Then, BI will also increase the Statutory Reserves by another 50 bps to 6.5% on September 1, 2022. (CNBC Indonesia)

Recommendation

Investors Pay Attention to External Data. The release of weekly jobless claims data rose to 286K; or exceed the estimate which is at the level of 225 thousand. On the other hand, crude oil prices fell again from their highest levels; after inventories were reported to have increased by 515 thousand barrels for the period last week.

PRICE OF BENCHMARK SERIES

FR0090 : +1.4 Bps to 99.60 (5.21%)
FR0091 : -0.4 Bps to 99.78 (6.40%)
FR0093 : -0.3 Bps to 99.70 (6.40%)
FR0092 : -1.1 Bps to 101.41 (6.99%)

FR0086 : +1.2 Bps to 100.88 (5.26%)
FR0087 : +0.8 Bps to 99.95 (6.50%)
FR0083 : +0.4 Bps to 104.60 (7.04%)
FR0088 : +0.8 Bps to 99.05 (6.35%)

CDS of Indonesia Bonds

CDS 2yr: +0.71% to 30.13
CDS 5yr: -0.06% to 86.04
CDS 10yr: +0.59% to 157.42

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.42%	-0.00%
USDIDR	14,338	-0.17%
KRWIDR	12.03	-0.23%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,715.39	(313.26)	-0.89%
S&P 500	4,482.73	(50.03)	-1.10%
FTSE 100	7,585.01	(4.65)	-0.06%
DAX	15,912.33	102.61	0.65%
Nikkei	27,772.93	305.70	1.11%
Hang Seng	24,952.35	824.50	3.42%
Shanghai	3,555.06	(3.12)	-0.09%
KOSPI	2,862.68	20.40	0.72%
EIDO	23.24	0.16	0.69%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,839.3	(1.3)	-0.07%
Crude Oil (\$/bbl)	85.55	(0.25)	-0.29%
Coal (\$/ton)	187.40	(9.75)	-4.95%
Nickel LME (\$/MT)	24,030	695	2.95%
Tin LME (\$/MT)	42,896	604	1.43%
CPO (MYR/Ton)	5,187	63.0	1.23%

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
	US	20:30	Housing Starts	Dec.	1,702k	1,650k	1,679k
Thursday	ID	--	Bank Indonesia 7D Reverse Repo Rate	Jan	3.50%	3.50%	3.50%
20 - Jan.	GE	14:00	PPI MoM	Dec.	5.0%	0.8%	0.8%
	US	20:30	Initial Jobless Claims	Jan.	286k	225k	230k
	US	22:00	Existing Home Sales	Dec.	6.18Mn	6.42Mn	6.46Mn
	US	22:00	Existing Home Sales	Dec.	6.18Mn	6.42Mn	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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