

Morning Brief

Daily | Jan. 13, 2022

Today's Outlook:

Government Bonds

Sentiments Diverse, SUN Benchmark Closed Mixed. Prices for benchmark government bonds (SUN) FR0090, FR0091, and FR0093 were closed at a discount. Meanwhile, the yield on the 20-year benchmark FR0092 is at the psychological level of 7%. Yesterday, market participants responded positively to the testimony of the Fed Head Jerome Powell before the congress, which did not give any indication that monetary policy tightening was more aggressive than expected. From within the country, the Covid-19 Handling Task Force reported that there were an additional 802 new cases here, confirming the total cases which reached 4,267,451.

Corporate Bonds

ADHI: New Contract IDR 28 Trillion. PT Adhi Karya (Persero) Tbk (ADHI) is targeting new contracts of IDR 24 trillion to IDR 28 trillion in 2022. In order to achieve this, the Company targets road, building and infrastructure projects with good funding sources from the government, State-Owned Enterprises, as well as private. (Kontan)

Domestic Issue

The Five Directions of Fiscal Policy. In accordance with Law Number 2 of 2020, the Fiscal Policy Agency of the Ministry of Finance mentions five directions of fiscal policy in 2022. These policies include: strengthening the health sector; social protection for Micro, Small and Medium Enterprises; superior Human Resources structural reform; fiscal reform; and optimization of the 2022 State Revenue and Expenditure Budget. (Kontan)

Recommendation

External Sentiment Colors Today's Trading. Data on the Consumer Price Index (CPI) of the United States (US) showed an increase of 0.5% for the period last December, or 7% throughout 2021. Although this level was the highest in almost 4 decades, it was in line with market expectations. Today's market movements have the potential to be influenced by US inflation data and sentiment on the daily Covid-19 case which shows an upward trend.

PRICE OF BENCHMARK SERIES

FR0090 : -3.1 Bps to 99.64 (5.20%)
FR0091 : -2.8 Bps to 99.86 (6.39%)
FR0093 : +0.1 Bps to 99.86 (6.38%)
FR0092 : +4.4 Bps to 100.68 (7.06%)

FR0086 : -1.6 Bps to 100.95 (5.24%)
FR0087 : -2.7 Bps to 100.08 (6.48%)
FR0083 : -1.3 Bps to 104.20 (7.08%)
FR0088 : +1.5 Bps to 99.51 (6.30%)

CDS of Indonesia Bonds

CDS 2yr: +0.95% to 27.38
CDS 5yr: -0.07% to 78.23
CDS 10yr: +0.82% to 146.82

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.41%	-0.03%
USDIDR	14,318	0.10%
KRWIDR	12.03	0.51%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,290.32	38.30	0.11%
S&P 500	4,726.35	13.28	0.28%
FTSE 100	7,551.72	60.35	0.81%
DAX	16,010.32	68.51	0.43%
Nikkei	28,765.66	543.18	1.92%
Hang Seng	24,402.17	663.11	2.79%
Shanghai	3,597.43	29.99	0.84%
KOSPI	2,972.48	45.10	1.54%
EIDO	23.52	0.07	0.30%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,826.2	4.6	0.25%
Crude Oil (\$/bbl)	82.64	1.42	1.75%
Coal (\$/ton)	173.20	5.10	3.03%
Nickel LME (\$/MT)	22,021	227.50	1.04%
Tin LME (\$/MT)	40,449	531.00	1.33%
CPO (MYR/Ton)	5,040	(29.0)	-0.57%

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)	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	1.87%	1.75%	Cons. Confidence*	118.30	118.50

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:00	Foreign Reserves	Dec.	\$144.90Bn	-	\$145.90Bn
7 - Jan.	US	20:30	Change in Nonfarm Payrolls	Dec.	199k	450k	210k
	US	20:30	Change in Manufact. Payrolls	Dec.	26k	35k	31k
	US	20:30	Unemployment Rate	Dec.	3.9%	4.1%	4.2%
	US	20:30	Unemployment Rate	Dec.	3.9%	4.1%	4.2%
Monday	ID	—	Consumer Confidence Index	Dec.	118.3	—	118.5
10 - Jan.	US	22:00	Wholesale Inventories MoM	Nov.	1.4%	1.2%	1.2%
Tuesday	—	—	—	—	—	—	—
11 - Jan.	—	—	—	—	—	—	—
Wednesday	CH	08:30	CPI YoY	Dec.	1.5%	1.7%	2.3%
12 - Jan.	US	19:00	MBA Mortgage Applications	Jan.	1.4%	—	-5.6%
	US	20:30	CPI MoM	Dec.	0.5%	0.4%	0.8%
	US	20:30	CPI YoY	Dec.	7.0%	7.0%	6.8%
	US	20:30	CPI YoY	Dec.	7.0%	7.0%	6.8%
Thursday	US	20:30	PPI Final Demand MoM	Dec.		0.4%	0.8%
13 - Jan.	US	20:30	Initial Jobless Claims	Jan.		200k	207k
Friday	CH	—	Trade Balance	Dec.		\$73.20Bn	\$71.71Bn
14 - Jan.	US	20:30	Retail Sales Advance MoM	Dec.		0.0%	0.3%
	US	21:15	Industrial Production MoM	Dec.		0.3%	0.5%
	US	22:00	U. of Mich. Sentiment	Jan.		70.2	70.6
	US	22:00	U. of Mich. Sentiment	Jan.		70.2	70.6

Source: Bloomberg

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