

# Morning Brief

Daily | Jan. 11, 2022

## Today's Outlook:

### Government Bonds

**Yield UST10Y Touch 1.76%.** The steady yield of UST10Y at around 1.76% has put pressure on the Government Securities (SUN) market at the beginning of the week. Meanwhile, employment data in the United States (US) reported 199 thousand new jobs last December, or far below expectations. On the other hand, the movement of SUN at the beginning of the week was supported by increased activity in domestic public spending.

### Corporate Bonds

**BSDE: Get an idAA- Rating.** Pefindo has assigned an idAA- rating to BSDE property issuers. The rating is the result of Pefindo's annual rating dated January 6, 2022. Meanwhile, the idAA- rating is assigned to the Bumi Serpong Damai Shelf-Registered Bond II Phase I Series B Year 2016 worth Rp25 billion and PT Bumi Serpong Damai Tbk. (Bisnis Indonesia)

### Domestic Issue

**Community Shopping Activities Increase.** The public is again optimistic at the end of 2021, in line with the Consumer Confidence Index in December 2021 which amounted to 118.3, or increased from the position at the end of 2020 which was 96.5. This also gives a signal that public spending activity tends to increase at the end of last year. This public optimism was also awakened by the sloping down of daily cases of Covid-19. (Kontan)

### Recommendation

**FFR Increase Speculation.** We see the selling pressure on the Government Securities (SUN) market is starting to subside, after previously being pressured by expectations of an increase in interest rates. On the other hand, a number of major US banks are now projecting the Fed to raise interest rates (Fed Funds Rate, FFR) 4 times this year. As for domestic sentiment, the government decided to relax the provisions on the ban on coal exports which were originally in effect throughout January 2022.

## 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	113.40

## PRICE OF BENCHMARK SERIES

FR0090 : +3.2 Bps to 99.42 (5.25%)  
FR0091 : +0.8 Bps to 99.44 (6.44%)  
FR0093 : +1.2 Bps to 99.80 (6.39%)  
FR0092 : +3.7 Bps to 101.25 (7.00%)

FR0086 : +1.0 Bps to 100.90 (5.25%)  
FR0087 : +1.7 Bps to 99.68 (6.54%)  
FR0083 : -1.7 Bps to 104.17 (7.08%)  
FR0088 : +1.7 Bps to 99.63 (6.28%)

## CDS of Indonesia Bonds

CDS 2yr: +2.64% to 27.91  
CDS 5yr: +2.95% to 79.86  
CDS 10yr: +1.88% to 148.82

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.47%	0.01%
USDIDR	14,308	-0.35%
KRWIDR	11.92	-0.16%

## Global Indices

Index	Last	Chg.	%
Dow Jones	36,068.87	(162.79)	-0.45%
S&P 500	4,670.29	(6.74)	-0.14%
FTSE 100	7,445.25	(40.03)	-0.53%
DAX	15,768.27	(179.47)	-1.13%
Nikkei	28,478.56	0.00	0.00%
Hang Seng	23,746.54	253.16	1.08%
Shanghai	3,593.52	13.98	0.39%
KOSPI	2,926.72	(28.17)	-0.95%
EIDO	23.29	(0.06)	-0.26%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,801.7	5.1	0.29%
Crude Oil (\$/bbl)	78.23	(0.67)	-0.85%
Coal (\$/ton)	196.50	0.60	0.31%
Nickel LME (\$/MT)	20,820	18.00	0.09%
Tin LME (\$/MT)	39,826	0.00	0.00%
CPO (MYR/Ton)	5,029	36.0	0.72%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	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%
<b>Monday</b>	ID	—	Consumer Confidence Index	Dec.	118.3	—	118.5
10 - Jan.	US	22:00	Wholesale Inventories MoM	Nov.	1.4%	1.2%	1.2%
<b>Tuesday</b>	—	—	—	—	—	—	—
11 - Jan.	—	—	—	—	—	—	—
<b>Wednesday</b>	CH	08:30	CPI YoY	Dec.		1.7%	2.3%
12 - Jan.	US	19:00	MBA Mortgage Applications	Jan.		—	-5.6%
	US	20:30	CPI MoM	Dec.		0.4%	0.8%
	US	20:30	CPI YoY	Dec.		7.1%	6.8%
	US	20:30	CPI YoY	Dec.		7.1%	6.8%
<b>Thursday</b>	US	20:30	PPI Final Demand MoM	Dec.		0.4%	0.8%
13 - Jan.	US	20:30	Initial Jobless Claims	Jan.		—	207k
<b>Friday</b>	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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