

Morning Brief

Daily | Jan. 19, 2022

Today's Outlook:

Government Bonds

Investors Interested in Attractive Yield FR0092. The 20-year benchmark FR0092 recorded bids of up to IDR 15.18 trillion, or up to 18% of the total incoming bids of IDR 84.84 trillion in the SUN auction Tuesday (18/01). NHKSI Research sees FR0092 which offers a weighted average yield of up to 6.94%. FR0092 offers 7 bps higher yield than FR0089 (29.6-year) which is only 6.87%. On the other hand, the government has also won a lot in the FR0092 series, won for IDR 8.75 trillion (bid to cover ratio 1.73x) from the bids for this series.

Corporate Bonds

BJBR: Targeting IDR 925 Billion Right Issue Fund. PT Bank Pembangunan Daerah Jawa Barat and Banten Tbk (BJBR) will conduct a rights issue in March. The company targets the proceeds from the rights issue to be at least IDR 925 billion, which is planned to be used to strengthen the capital structure for credit expansion. (Kontan)

Domestic Issue

Realization of KUR Distribution of IDR 281.86 Trillion. The government reports that the total distribution of people's business loans (KUR) throughout 2021 will reach IDR 281.86 trillion, with a debit balance of IDR 376 trillion. Based on the type, the distribution of KUR is dominated by the micro segment at 63.71% and the small segment at 32.71%. Meanwhile, the distribution of KUR for the super micro business segment was recorded at 3.57%. (Kontan)

Recommendation

Investors Interested in Attractive Yield 7%. Investors have the opportunity to re-interest FR0092 which offers an attractive yield of more than 7%. Yesterday, the 20-year benchmark SUN recorded a yield decrease of 1 bps, compared to other benchmark series which recorded a yield increase of between 0.2 bps to 1.2 bps. On the other hand, market players are keeping a close eye on the rally in bond yields. The 10-year US Treasury yield (UST10Y) rose again to touch 1.875%; which is also the highest level since early 2020. Market participants will still tend to take a conservative stance ahead of the meeting of the Board of Governors (RDG) of Bank Indonesia (BI) this week, as well as the meeting of the Fed which is scheduled for next week.

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 : +0.2 Bps to 99.74 (5.18%)
FR0091 : +1.2 Bps to 99.93 (6.38%)
FR0093 : +0.3 Bps to 99.86 (6.39%)
FR0092 : -0.9 Bps to 101.20 (7.01%)

FR0086 : -1.2 Bps to 101.07 (5.21%)
FR0087 : +1.7 Bps to 100.04 (6.49%)
FR0083 : -0.5 Bps to 104.79 (7.02%)
FR0088 : +0.9 Bps to 99.22 (6.33%)

CDS of Indonesia Bonds

CDS 2yr: +0.67% to 30.75
CDS 5yr: +0.32% to 87.80
CDS 10yr: +0.46% to 160.12

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.40%	0.01%
USDIDR	14,338	0.14%
KRWIDR	12.05	0.30%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,368.47	(543.34)	-1.51%
S&P 500	4,577.11	(85.74)	-1.84%
FTSE 100	7,563.55	(47.68)	-0.63%
DAX	15,772.56	(161.16)	-1.01%
Nikkei	28,257.25	(76.27)	-0.27%
Hang Seng	24,112.78	(105.25)	-0.43%
Shanghai	3,569.91	28.25	0.80%
KOSPI	2,864.24	(25.86)	-0.89%
EIDO	23.03	(0.63)	-2.66%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,813.7	(5.5)	-0.30%
Crude Oil (\$/bbl)	85.43	1.61	1.92%
Coal (\$/ton)	181.85	1.85	1.03%
Nickel LME (\$/MT)	22,245	182.50	0.83%
Tin LME (\$/MT)	41,300	949.00	2.35%
CPO (MYR/Ton)	5,034	0.0	0.00%

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%
19 - Jan.	US	19:00	MBA Mortgage Applications	Jan.		--	1.4%
	US	20:30	Building Permits	Dec.		1,712k	1,717k
	US	20:30	Housing Starts	Dec.		1,655k	1,679k
	US	20:30	Housing Starts	Dec.		1,655k	1,679k
Thursday	ID	--	Bank Indonesia 7D Reverse Repo Rate	Jan		3.50%	3.50%
20 - Jan.	GE	14:00	PPI MoM	Dec.		--	0.8%
	US	20:30	Initial Jobless Claims	Jan.		--	230k
	US	22:00	Existing Home Sales	Dec.		6.45Mn	6.46Mn
	US	22:00	Existing Home Sales	Dec.		6.45Mn	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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