

Morning Brief

Daily | Jan. 5, 2022

Today's Outlook:

Government Bonds

Initial Auction Offer IDR 77.58 Trillion. The government managed to absorb funds worth IDR 25 trillion, in the inaugural auction of Government Bonds (SUN) in 2022 yesterday. In this auction, bids came in worth Rp. 77.58 trillion, or recorded a bid to cover ratio of 3.1x. For the record, the government offers a new series of 15-year benchmark FR0093 which will mature on July 15, 2037. The government also offers benchmark government securities, namely the FR0090, FR0091, and FR0092 series yesterday.

Corporate Bonds

TPIA: Obtain Financing Facilities. PT Chandra Asri Petrochemical Tbk (TPIA) signed a cooperation agreement (PKS) worth a total of USD 325 million with PT Bank Rakyat Indonesia Tbk (BBRI) which consists of a financing facility with a term loan scheme of USD 75 million along with non-cash loan facilities of USD 175 million, and forex line amounted to USD 75 million. The signing of the partnership to be able to continue the realization of the plan to build a petrochemical complex for the two companies on a global scale. (Bisnis Indonesia)

Domestic Issue

Lower Debt Interest Payments. Interest payments on government debt reached IDR 343.5 trillion last year, or lower than the 2021 State Budget (APBN) ceiling of IDR 373.3 trillion. The lower debt interest payments were due to the lower debt financing target and maintained interest rates amidst global pressures. (Kontan)

Recommendation

Coupon FR0093 6.375%. The results of the inaugural SUN auction yesterday, also managed to determine the FR0093 coupon of 6.375%. This figure is relatively lower than the yield on SUN of the same tenor, and is also in the midst of the current downward trend in SUN yield. In more detail, FR0093 recorded bids of up to IDR 26.8 trillion or 35% of the total bids for yesterday's auction. Meanwhile, yield on FR0093 ranges from 6.35% to 7%, with a weighted average yield of 6.46%.

PRICE OF BENCHMARK SERIES

FR0090 : +1.6 Bps to 100.58 (4.99%)
FR0091 : +1.7 Bps to 100.70 (6.28%)
FR0093 : n/a Bps to 99.87 (6.38%)
FR0092 : +1.3 Bps to 102.48 (6.89%)

FR0086 : +1.6 Bps to 101.45 (5.11%)
FR0087 : +1.5 Bps to 100.81 (6.37%)
FR0083 : +0.1 Bps to 104.47 (7.05%)
FR0088 : +0.6 Bps to 100.11 (6.23%)

CDS of Indonesia Bonds

CDS 2yr: -3.18% to 27.48
CDS 5yr: -3.35% to 72.12
CDS 10yr: -2.65% to 131.56

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.41%	0.02%
USDIDR	14,303	0.26%
KRWIDR	11.99	0.14%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,799.65	214.59	0.59%
S&P 500	4,793.54	(3.02)	-0.06%
FTSE 100	7,505.15	120.61	1.63%
DAX	16,152.61	131.88	0.82%
Nikkei	29,301.79	510.08	1.77%
Hang Seng	23,289.84	15.09	0.06%
Shanghai	3,632.33	(7.45)	-0.21%
KOSPI	2,989.24	0.47	0.02%
EIDO	23.24	0.04	0.17%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,814.6	13.2	0.73%
Crude Oil (\$/bbl)	76.99	0.91	1.20%
Coal (\$/ton)	174.10	16.60	10.54%
Nickel LME (\$/MT)	21,122	365.50	1.76%
Tin LME (\$/MT)	39,260	0.00	0.00%
CPO (MYR/Ton)	4,914	57.0	1.17%

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)	145.90	145.46	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*	118.50	113.40

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	CH	08:00	Non-Manufacturing PMI	Dec.	52.7	52.0	52.3
31 - Dec.	CH	08:00	Manufacturing PMI	Dec.	50.3	50.0	50.1
Monday	ID	07:30	Markit PMI Mfg	Dec.	53.3	—	53.9
3 - Jan.	ID	11:00	CPI YoY	Dec.	1.87%	1.81%	1.75%
	ID	11:00	CPI MoM	Dec.	0.57%	0.52%	0.37%
	US	21:45	Markit PMI Mfg	Dec.	57.7	57.7	57.8
Tuesday	CH	08:45	Caixin China PMI Mfg	Dec.	50.9	50.0	49.9
4 - Jan.	UK	16:30	Markit UK PMI Mfg	Dec.	57.9	57.6	57.6
	US	22:00	ISM Manufacturing	Dec.	58.7	60.0	61.1
Wednesday	US	19:00	MBA Mortgage Applications	Dec.		—	-0.6%
5 - Jan.	US	20:15	ADP Employment Change	Dec.		385k	534k
	US	21:45	Markit US Composite PMI	Dec.		—	56.9
	US	21:45	Markit US Services PMI	Dec.		57.5	57.5
Thursday	US	02:00	FOMC Meeting Minutes	Dec.		—	—
6 - Jan.	CH	08:45	Caixin China PMI Services	Dec.		51.9	52.1
	US	20:30	Trade Balance	Nov.		-\$71.2Bn	-\$67.1Bn
	US	20:30	Initial Jobless Claims	Jan.		—	—
Friday	EC	17:00	CPI Estimate YoY	Dec.		4.7%	4.9%
7 - Jan.	US	20:30	Change in Nonfarm Payrolls	Dec.		400k	210k
	US	20:30	Change in Manufact. Payrolls	Dec.		35k	31k
	US	20:30	Unemployment Rate	Dec.		4.1%	4.2%

Source: Bloomberg

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