

Morning Brief

Daily | Jan. 17, 2022

Today's Outlook:

Government Bonds

Weekend Selective Buying Action. All benchmark series Government Securities (SUN) recorded a decline in yields over the weekend, in line with market players' selective buying. Previously, global market players were again worried about the Fed's hawkish tone. Last week, the yield of UST10Y had reached the level of 1.75%. Investors were again worried about the potential for monetary policy tightening, although this was previously calmed by the Fed Chair, Jerome Powell.

Corporate Bonds

PPRO Lists IDR 1.1 Trillion Bonds. PT PP Properti Tbk (PPRO) will list its Shelf-Registered Bonds II Phase IV of IDR 1.1 trillion on the Indonesia Stock Exchange (IDX) on Monday (17/1). Meanwhile, the first interest payment date for the PPRO bonds is April 14, 2022. The series A bonds mature on January 24, 2023 and series B on January 14, 2025. The bonds are part of the Continuous Public Offering (PUB) II with a total value of IDR 2.4 trillion. (Investor Daily)

Domestic Issue

Business Growth Weakened in 4Q21. Growth in business activity performance in the 4Q21 quarter appeared to be slowing down. This is reflected in the Weighted Net Balance (WNB) of business activities in 4Q21 which was 7.10% or slightly slower from 7.58% of 3Q21. The business world is cautious in taking steps amid the issue of the Omicron threat and the Fed's tapering off. (Kontan)

Recommendation

High Liquidity and Demand Support SUN Auctions. Next Tuesday, the government will again offer benchmarks FR0090, FR0091, FR0093, and FR0092 at the SUN auction. NHKSI Research sees that, although there is still pressure to increase UST yields, the high liquidity and demand for SUN will support this auction. For the record, the release of a number of economic data from the United States (US), had made the yield increase to UST10Y last week. On the other hand, market participants will also pay close attention to the release of Indonesia's Trade Balance data for the December 2021 period, as well as China's Gross Domestic Product (GDP) growth scheduled for today.

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

PRICE OF BENCHMARK SERIES

FR0090 : -1.2 Bps to 99.72 (5.18%)
FR0091 : -0.9 Bps to 99.99 (6.37%)
FR0093 : -0.7 Bps to 99.93 (6.38%)
FR0092 : -2.1 Bps to 101.08 (7.02%)

FR0086 : -0.8 Bps to 101.08 (5.21%)
FR0087 : -1.3 Bps to 100.23 (6.46%)
FR0083 : -2.3 Bps to 104.57 (7.04%)
FR0088 : +0.4 Bps to 99.43 (6.31%)

CDS of Indonesia Bonds

CDS 2yr: +4.05% to 29.62
CDS 5yr: +3.74% to 84.06
CDS 10yr: +3.21% to 155.98

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.39%	-0.02%
USDIDR	14,297	0.01%
KRWIDR	12.04	0.05%

Global Indices

Index	Last	Chg.	%
Dow Jones	35,911.81	(201.81)	-0.56%
S&P 500	4,662.85	3.82	0.08%
FTSE 100	7,542.95	(20.90)	-0.28%
DAX	15,883.24	(148.35)	-0.93%
Nikkei	28,124.28	(364.85)	-1.28%
Hang Seng	24,383.32	(46.45)	-0.19%
Shanghai	3,521.26	(34.00)	-0.96%
KOSPI	2,921.92	(40.17)	-1.36%
EIDO	23.66	0.21	0.90%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,817.9	(4.6)	-0.25%
Crude Oil (\$/bbl)	83.82	1.70	2.07%
Coal (\$/ton)	185.50	11.25	6.46%
Nickel LME (\$/MT)	22,194	18.0	0.08%
Tin LME (\$/MT)	40,351	(160.0)	-0.39%
CPO (MYR/Ton)	5,123	(38.0)	-0.74%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	CH	—	Trade Balance	Dec.	\$94.46Bn	\$73.95Bn	\$71.71Bn
<i>14 - Jan.</i>	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.		\$3,100Mn	\$3,510Mn
<i>17 - Jan.</i>	ID	11:00	Export YoY	Dec.		40.90%	49.70%
	ID	11:00	Import YoY	Dec.		39.99%	52.62%
	CH	09:00	GDP YoY	4Q21		3.5%	4.9%
Tuesday	UK	14:00	Claimant Count Rate	Dec.		--	4.9%
<i>18 - Jan.</i>	UK	14:00	Jobless Claims Change	Dec.		--	-49.8k
	GE	17:00	ZEW Survey Expectations	Jan.		36.0	29.9
	US	20:30	Empire Manufacturing	Jan.		26.0	31.9
	US	20:30	Empire Manufacturing	Jan.		26.0	31.9
Wednesday	GE	14:00	CPI MoM	Dec.		0.5%	0.5%
<i>19 - Jan.</i>	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%
<i>20 - Jan.</i>	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
<i>21 - Jan.</i>	US	22:00	Leading Index	Dec.		0.8%	1.1%

Source: Bloomberg

Research Division

Head of Research

Anggaraksa Arismunandar

Equity Strategy

T +62 21 5088 ext. 9134

E anggaraksa@nhsec.co.id

Senior Technical Analyst

Dimas Wahyu Putra Pratama

Technical

T +62 21 5088 ext 9131

E dimas.wahyu@nhsec.co.id

Economist

Arief Machrus

Macroeconomics, Banking

T +62 21 5088 ext 9127

E arief.machrus@nhsec.co.id

Analyst

Cindy Alicia

Consumer, Healthcare

T +62 21 5088 ext 9129

E cindy.alicia@nhsec.co.id

Research Support

Jasmine Kusumawardani

T +62 21 5088 ext 9132

E jasmine.kusumawardani@nhsec.co.id

DISCLAIMER

This report and any electronic access hereto are restricted and intended only for the clients and related entities of PT NH Korindo Sekuritas Indonesia. This report is only for information and recipient use. It is not reproduced, copied, or made available for others. Under no circumstances is it considered as a selling offer or solicitation of securities buying. Any recommendation contained herein may not be suitable for all investors. Although the information hereof is obtained from reliable sources, its accuracy and completeness cannot be guaranteed. PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, and agents are held harmless from any responsibility and liability for claims, proceedings, action, losses, expenses, damages, or costs filed against or suffered by any person as a result of acting pursuant to the contents hereof. Neither is PT NH Korindo Sekuritas Indonesia, its affiliated companies, employees, nor agents are liable for errors, omissions, misstatements, negligence, inaccuracy contained herein.

All rights reserved by PT NH Korindo Sekuritas Indonesia



PT. NH Korindo Sekuritas Indonesia

Member of Indonesia Stock Exchange

Head Office :

District 8 Treasury Tower 51st Fl. Unit A, SCBD Lot.28

Jl. Jendral Sudirman Kav. 52-53

Jakarta Selatan 12190

Telp : +62 21 50889100

Fax : +62 21 50889101

Branch Office BSD:

ITC BSD Blok R No.48

Jl. Pahlawan Seribu Serpong

Tangerang Selatan 15322

Indonesia

Telp : +62 21 5316 2049

Fax : +62 21 5316 1687

Branch Office Medan :

Jl. Timor No 147

Medan, Sumatera Utara 20234

Indonesia

Telp : +62 614 156500

Fax : +62 614 568560

Branch Office Semarang:

Jl. MH Thamrin No. 152

Semarang 50314

Indonesia

Telp : +62 24 844 6878

Fax : +62 24 844 6879

Branch Office Jakarta Utara:

Jl. Bandengan Utara Kav. 81

Blok A No.02, Lt 1

Jakarta Utara 14440

Indonesia

Telp : +62 21 6667 4959

Fax : +62 21 6667 4960

Branch Office Pekanbaru:

Sudirman City Square

Jl. Jend. Sudirman Blok A No.7

Pekanbaru

Indonesia

Telp : +62 761 801 133

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

Telp : +62 31 9914 1344

Branch Office Makassar:

Jl. Gunung Latimojong No.120A

Makassar

Indonesia

Telp : +62 411 361 5255

Branch Office Bandung:

Paskal Hypersquare Blok A1

Jl. Pasirkaliki No 25-27

Bandung 40181

Indonesia

Telp : +62 22 8606 1012

Branch Office Denpasar:

Ruko Griya Alamanda No.9

Jl. Cok Agung Tresna

Denpasar

Indonesia

A Member of NH Investment & Securities Global Network

Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta