

Morning Brief

Daily | Jan. 25, 2022

Today's Outlook:

Government Bonds

Global Catalyst Colors Sun Market Early Week. Yesterday, the focus of investors' attention was on the Fed meeting scheduled for January 27, 2022. In more detail, the Fed officials have given signals to raise interest rates 3 times this year; having previously decided to end the Quantitative Easing program in March 2022. Market participants anticipate more aggressive tightening policies; This is in line with the high inflation rate in the United States which will reach 7% YoY in 2021. Based on Bloomberg data, benchmark 10-year and 15-year Government Bonds recorded yields at the same level, which was around 6.39% yesterday.

Corporate Bonds

SSMS: Pay IDR 167 Billion Bond Coupon. PT Sawit Sumbermas Sarana Tbk (SSMS) has paid the bond coupon interest of IDR 167 billion. The first phase of coupon payments this year is the company's commitments and obligations related to global bond issuance. Meanwhile, the bonds have a tenor of 5 years, namely 2018 – 2023 with an interest rate of 7.75% per year. (Emiten News)

Domestic Issue

Ministry of Finance: ORI021 Offers 4.9% Coupon. The Ministry of Finance (Kemenkeu) has opened the offer period for the Indonesian Retail Bonds (ORI) series ORI021, with the proceeds from this offering to be used to finance the handling of the COVID-19 pandemic in Indonesia. Furthermore, SBN021 starts a series of 6 other Government Securities (SBN) scheduled to be offered this year, both conventional and in the form of sharia or sukuk. The coupons offered are quite competitive at the level of 4.9% with a 3-year tenor. (CNN Indonesia)

Recommendation

High Yield Expectations in Sukuk Auction. Sentiment from Bank Indonesia and the Fed will still color the auction of State Sharia Securities (SBSN/ Sukuk) on Tuesday (25/01). On the other hand, market participants will respond negatively to market speculation regarding a fourfold increase in the Fed Funds Rate (FFR). NHKSI Research projects that investors will again have high interest in short tenor Sukuk PBS031 and PBS032, and avoid long tenors which have wide yield volatility. In the previous Sukuk auction, the government set the reward for PBS033 and PBS034, at the level of 6.75% and 6.50%, respectively. The 25-year and 17-year sukuk recorded incoming yields of between 6.85%-7.27%; and 6.55%-7.15%.

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 : -0.4 Bps to 99.61 (5.20%)
FR0091 : -1.1 Bps to 99.81 (6.39%)
FR0093 : +0.3 Bps to 99.70 (6.40%)
FR0092 : -0.3 Bps to 101.51 (6.98%)

FR0086 : +1.8 Bps to 100.91 (5.25%)
FR0087 : +0.8 Bps to 99.81 (6.52%)
FR0083 : -0.1 Bps to 104.60 (7.04%)
FR0088 : +1.9 Bps to 98.90 (6.36%)

CDS of Indonesia Bonds

CDS 2yr: +1.63% to 31.08
CDS 5yr: +0.45% to 88.21
CDS 10yr: +1.24% to 161.44

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.42%	-0.01%
USDIDR	14,343	0.03%
KRWIDR	11.98	-0.19%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,364.50	99.13	0.29%
S&P 500	4,410.13	12.19	0.28%
FTSE 100	7,297.15	(196.98)	-2.63%
DAX	15,011.13	(592.75)	-3.80%
Nikkei	27,588.37	66.11	0.24%
Hang Seng	24,656.46	(309.09)	-1.24%
Shanghai	3,524.11	1.54	0.04%
KOSPI	2,792.00	(42.29)	-1.49%
EIDO	23.23	(0.25)	-1.06%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,843.1	7.7	0.42%
Crude Oil (\$/bbl)	83.31	(1.83)	-2.15%
Coal (\$/ton)	220.00	5.05	2.35%
Nickel LME (\$/MT)	22,605	(1,670)	-6.88%
Tin LME (\$/MT)	43,955	0.00	0.00%
CPO (MYR/Ton)	5,260	(62.0)	-1.16%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	EC	22:00	Consumer Confidence	Jan.	-8.5	-9.0	-8.3
<i>21 - Jan.</i>	US	22:00	Leading Index	Dec.	0.8%	0.8%	1.1%
Monday	EC	16:00	Markit Eurozone Manufacturing	Jan.	59.0	57.5	58.0
<i>24 - Jan.</i>	UK	16:30	Markit UK PMI Manufacturing	Jan.	56.9	57.6	57.9
	US	21:45	Markit US Manufacturing PMI	Jan.	55.0	56.7	57.7
Tuesday	GE	16:00	IFO Business Climate	Jan.		94.4	94.7
<i>25 - Jan.</i>	GE	16:00	IFO Expectations	Jan.		92.5	92.6
	US	22:00	Conf. Board Consumer Confidence	Jan.		111.9	115.8
Wednesday	US	19:00	MBA Mortgage Applications	Jan.		—	2.3%
<i>26 - Jan.</i>	US	20:30	Wholesale Inventories MoM	Dec.		1.4%	1.4%
	US	22:00	New Home Sales	Dec.		770k	744k
						0.00% /	0.00% /
Thursday	US	02:00	FOMC Rate Decision (Lower/Upper)	Jan.		0.25%	0.25%
<i>27 - Jan.</i>	US	20:30	Initial Jobless Claims	Jan.		—	286k
	US	20:30	Durable Goods Orders	Dec.		-0.4%	2.6%
	US	20:30	GDP Annualized QoQ	4Q21		5.7%	2.3%
Friday	GE	16:00	GDP QoQ	4Q21		-0.1%	1.7%
<i>28 - Jan.</i>	US	20:30	Personal Income	Dec.		0.5%	0.4%
	US	20:30	Personal Spending	Dec.		-0.5%	0.6%
	US	22:00	U. of Mich. Sentiment	Jan.		68.8	68.8

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

Branch Office Surabaya:

Spazio Tower Lt. 10, Unit S05

Jl. Mayjen Yono Suwoyo

Surabaya 60226

Indonesia

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

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