

Morning Brief

Daily | Jan. 3, 2022

Today's Outlook:

Government Bonds

Year-End Selective Buying Action. The movement of the Government Securities (SUN) market at the end of the year, amid the pressure of the rupiah. The rupiah exchange rate weakened to the level of IDR 14,268/USD on Thursday (30/12). The depreciation of the rupiah is influenced by external sentiment, the US employment data at the beginning of next year is projected to improve. The pressure on the rupiah was also influenced by investor interest in the US dollar, due to the potential for an increase in interest rates in 2022 which is getting closer.

Corporate Bonds

Reliance Finance Bond Coupon Up to 9.5%. PT Usaha Financing Reliance Indonesia (REFI) released its Bond I Year 2021, with a principal amount of IDR 400 billion, consisting of three series. Series A bonds of IDR 100 billion with a fixed interest rate of 8% and a 370-day tenor; Series B bonds of IDR 100 billion with a fixed interest rate of 9% and a 36-month tenor; and Series C bonds worth IDR 200 billion with a fixed interest rate of 9.5% and a 60-month tenor. (Kontan)

Domestic Issue

Government Cuts Economic Recovery Budget. The government will continue a number of subsidy policies for business actors and the wider community next year. Through the National Economic Recovery Program (PEN) 2022, the government allocates IDR 414.1 trillion, or lower than last year's budget of IDR 744.77 trillion. This reduction in the 2022 PEN budget, in the midst of increasingly complex challenges. (Kontan)

Recommendation

Inflation and Manufacturing PMI. Entering the beginning of 2022, SUN market participants will pay close attention to the release of routine economic data, such as Inflation and Manufacturing PMI. The Bloomberg consensus survey projects an increase in inflation of 0.52% MoM in the period of December 2021. Thus, Indonesia's inflation throughout 2021 will be around the level of 1.82%; or still below Bank Indonesia's target. On the other hand, the Manufacturing PMI index is expected to maintain its expansionary momentum, after being recorded at an all-time high of 57.2 in October 2021.

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	1.75%	1.66%	Cons. Confidence*	118.50	113.40

PRICE OF BENCHMARK SERIES

FR0090 : +0.4 Bps to 100.89 (4.92%)
FR0091 : +0.5 Bps to 100.77 (6.27%)
FR0083 : +0.4 Bps to 104.46 (7.06%)
FR0092 : -0.4 Bps to 102.61 (6.88%)

FR0086 : -0.3 Bps to 101.63 (5.06%)
FR0087 : +0.8 Bps to 100.94 (6.36%)
FR0088 : +1.6 Bps to 100.09 (6.23%)

CDS of Indonesia Bonds

CDS 2yr: +0.45% to 28.73
CDS 5yr: +0.14% to 75.29
CDS 10yr: +0.39% to 136.46

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.38%	0.01%
USDIDR	14,268	0.11%
KRWIDR	12.00	-0.10%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,398.08	(90.55)	-0.25%
S&P 500	4,778.73	(14.33)	-0.30%
FTSE 100	7,403.01	(17.68)	-0.24%
DAX	15,884.86	32.61	0.21%
Nikkei	28,791.71	(115.17)	-0.40%
Hang Seng	23,112.01	25.47	0.11%
Shanghai	3,619.19	22.19	0.62%
KOSPI	2,977.65	(15.64)	-0.52%
EIDO	23.01	(0.14)	-0.60%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,814.7	10.0	0.55%
Crude Oil (\$/bbl)	76.99	0.43	0.56%
Coal (\$/ton)	145.80	(3.75)	-2.51%
Nickel LME (\$/MT)	20,587	204.0	1.00%
Tin LME (\$/MT)	39,197	54.0	0.14%
CPO (MYR/Ton)	4,683	(12.0)	-0.26%

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	Dec.		—	53.9
3 - Jan.	ID	11:00	CPI YoY	Dec.		1.82%	1.75%
	ID	11:00	CPI MoM	Dec.		0.52%	0.37%
	US	21:45	Markit PMI Mfg	Dec.		57.7	57.8
Tuesday	CH	08:45	Caixin China PMI Mfg	Dec.		50.0	49.9
4 - Jan.	UK	16:30	Markit UK PMI Mfg	Dec.		57.6	57.6
	US	22:00	ISM Manufacturing	Dec.		60.3	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

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

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

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