

Morning Brief

Daily | Jan. 24, 2022

Today's Outlook:

Government Bonds

UST10Y Rise Colors Weekend Market. Domestically, Bank Indonesia (BI) decided to hold the benchmark BI Seven Days Reverse Repo Rate (BI-7DRRR) at 3.5%; according to the results of the Board of Governors Meeting on Thursday (20/01). From a global perspective, the yield on the 10-year US Treasury (UST10Y) also experienced a significant increase, reaching the level of 1.87%; or the highest since early 2020.

Corporate Bonds

ASF Prepares IDR 670 Billion to Pay Bonds to Maturity. PT Astra Sedaya Finance announced the readiness of funds for payment of Shelf-Registered Bonds IV Phase II Year 2019 which will mature on February 13, 2022. Meanwhile, the amount of funds prepared is IDR 670 billion. The company has also committed to pay interest on maturing bonds, including the third interest payment from the Shelf-Registered Bonds V Phase II Year 2021 worth IDR 36.34 billion. Furthermore, there is also the first interest payment of the 2021 Shelf-Registered Bond V Phase III of IDR 24.4 billion which will be paid on January 24, 2022. (Kontan)

Domestic Issue

Foreign Capital Flow of IDR 0.14 Trillion. Foreign capital flows out of the financial market still occurred in the third week of January 2022. Based on transaction data from Bank Indonesia (BI), non-residents in the domestic financial market made a net sale of IDR 0.14 trillion. Along with the departure of foreign capital flows, the Credit Default Swap (CDS) premium also appears to be increasing. (Kontan)

Recommendation

The Fed Meeting This Week. This week's market movement has the potential to be influenced by foreign catalysts. The focus of investors' attention will be on the Fed meeting scheduled for January 27, 2022. On several occasions, the Fed officials have given signals to raise interest rates 3 times this year; having previously decided to end the Quantitative Easing (QE) program in March. Market participants anticipate more aggressive tightening policies; in line with the high rate of US inflation reaching 7% yoy in 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)	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 : +0.1 Bps to 99.60 (5.21%)
FR0091 : +0.6 Bps to 99.73 (6.40%)
FR0093 : -0.3 Bps to 99.73 (6.40%)
FR0092 : -0.6 Bps to 101.48 (6.98%)

FR0086 : -2.7 Bps to 100.98 (5.23%)
FR0087 : +1.4 Bps to 99.86 (6.51%)
FR0083 : +0.1 Bps to 104.58 (7.04%)
FR0088 : -0.3 Bps to 99.08 (6.34%)

CDS of Indonesia Bonds

CDS 2yr: +1.49% to 30.58
CDS 5yr: +2.06% to 87.81
CDS 10yr: +1.29% to 159.46

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.43%	0.01%
USDIDR	14,338	0.00%
KRWIDR	12.01	-0.18%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,265.37	(450.02)	-1.30%
S&P 500	4,397.94	(84.79)	-1.89%
FTSE 100	7,494.13	(90.88)	-1.20%
DAX	15,603.88	(308.45)	-1.94%
Nikkei	27,522.26	(250.67)	-0.90%
Hang Seng	24,965.55	13.20	0.05%
Shanghai	3,522.57	(32.50)	-0.91%
KOSPI	2,834.29	(28.39)	-0.99%
EIDO	23.48	0.24	1.03%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,835.4	(3.9)	-0.21%
Crude Oil (\$/bbl)	85.14	(0.41)	-0.48%
Coal (\$/ton)	196.40	9.00	4.80%
Nickel LME (\$/MT)	24,028	233.0	0.98%
Tin LME (\$/MT)	43,955	458.0	1.05%
CPO (MYR/Ton)	5,322	135.0	2.60%

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.		58.2	58.0
<i>24 - Jan.</i>	UK	16:30	Markit UK PMI Manufacturing	Jan.		—	57.9
	US	21:45	Markit US Manufacturing PMI	Jan.		57.0	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

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