

# Morning Brief

Daily | Jan. 26, 2022

## Today's Outlook:

### Government Bonds

**Investors Interested in High Yield PBS030 and PBS029.** The two series recorded incoming offers of IDR 7.6 trillion and IDR 5.9 trillion, respectively. For the record, the Sukuk with 6.5-year and 12.1-year tenors offer 5.875% and 6.375% returns, respectively. Overall, the government managed to reap funds worth IDR 11 trillion from the total bids for the Sukuk auction yesterday worth IDR 38.3 trillion.

### Corporate Bonds

**WIKA Issues IDR 2.5 Trillion Bonds and Sukuk.** PT Wijaya Karya (Persero) Tbk (WIKA) will issue Bonds and Sukuk Mudharabah, worth IDR 1.75 trillion and IDR 750 billion, respectively. The bonds are part of the Public Offering (PUB) of Sustainable Bonds II with a target fund of IDR 3.5 trillion. Meanwhile, Sukuk Mudharabah is part of PUB Sukuk Mudharabah II with a target fund of IDR 1.5 trillion. (Kontan)

### Domestic Issue

**Tax Amnesty Volume II IDR 591.87 Billion.** The state earned IDR 591.87 billion from Tax Amnesty Volume II as of Monday (24/1), derived from income tax deposits (PPH) obtained from the disclosure of net assets worth IDR 5.46 trillion. Of this total, IDR 334 billion of assets will be invested in state securities (SBN). The government implements the Tax Amnesty Program Volume II regulated in the Law (UU) concerning the Harmonization of Tax Regulations (HPP) and the Minister of Finance Regulation (PMK) Number 196/PMK.03/2021 concerning Procedures for Implementing Taxpayer PPS. (CNN Indonesia)

### Recommendation

**Investors Expect The Fed's Monetary Policy.** Market participants are projected to take a wait and see attitude, ahead of the monetary policy update from the Fed which will be announced tomorrow. On the other hand, negative sentiment also came from heated geopolitical tensions; after Russia sent 100,000 troops to the Ukrainian border. Investors are also watching the potential for tightening PPKM in line with the upward trend in Covid-19 cases; is still the catalyst that overshadows the market today.

### PRICE OF BENCHMARK SERIES

FR0090 : -0.2 Bps to 99.62 (5.20%)  
FR0091 : -0.6 Bps to 99.86 (6.39%)  
FR0093 : +0.1 Bps to 99.69 (6.40%)  
FR0092 : -0.4 Bps to 101.56 (6.97%)

FR0086 : -1.1 Bps to 100.95 (5.24%)  
FR0087 : -0.6 Bps to 99.85 (6.52%)  
FR0083 : -0.1 Bps to 104.61 (7.04%)  
FR0088 : +0.4 Bps to 98.86 (6.37%)

### CDS of Indonesia Bonds

CDS 2yr: -0.09% to 31.05  
CDS 5yr: +0.93% to 89.03  
CDS 10yr: -0.11% to 161.25

### Government Bond Yields & FX

|                | Last   | Chg.   |
|----------------|--------|--------|
| Tenor: 10 year | 6.41%  | -0.01% |
| USDIDR         | 14,351 | 0.06%  |
| KRWIDR         | 11.97  | -0.10% |

### Global Indices

| Index     | Last      | Chg.     | %      |
|-----------|-----------|----------|--------|
| Dow Jones | 34,297.73 | (66.77)  | -0.19% |
| S&P 500   | 4,356.45  | (53.68)  | -1.22% |
| FTSE 100  | 7,371.46  | 74.31    | 1.02%  |
| DAX       | 15,123.87 | 112.74   | 0.75%  |
| Nikkei    | 27,131.34 | (457.03) | -1.66% |
| Hang Seng | 24,243.61 | (412.85) | -1.67% |
| Shanghai  | 3,433.06  | (91.04)  | -2.58% |
| KOSPI     | 2,720.39  | (71.61)  | -2.56% |
| EIDO      | 23.14     | (0.09)   | -0.39% |

### Commodities

| Commodity          | Last    | Chg.    | %      |
|--------------------|---------|---------|--------|
| Gold (\$/troy oz.) | 1,848.0 | 5.0     | 0.27%  |
| Crude Oil (\$/bbl) | 85.60   | 2.29    | 2.75%  |
| Coal (\$/ton)      | 224.00  | 4.00    | 1.82%  |
| Nickel LME (\$/MT) | 22,475  | 71.50   | 0.32%  |
| Tin LME (\$/MT)    | 42,555  | (1,400) | -3.19% |
| CPO (MYR/Ton)      | 5,282   | 22.0    | 0.42%  |

### 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 |

# Global & Domestic Economic Calendar

| Date             | Country | Hour<br>Jakarta | Event                            | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|----------------------------------|--------|--------|-----------|----------|
| <b>Friday</b>    | 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%     |
| <b>Monday</b>    | 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     |
| <b>Tuesday</b>   | GE      | 16:00           | IFO Business Climate             | Jan.   | 95.7   | 94.5      | 94.7     |
| <i>25 - Jan.</i> | GE      | 16:00           | IFO Expectations                 | Jan.   | 95.2   | 93.0      | 92.6     |
|                  | US      | 22:00           | Conf. Board Consumer Confidence  | Jan.   | 113.8  | 111.2     | 115.8    |
| <b>Wednesday</b> | 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     |
| <b>Thursday</b>  | US      | 02:00           | FOMC Rate Decision (Lower/Upper) | Jan.   |        | 0.00% /   | 0.00% /  |
| <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%     |
| <b>Friday</b>    | 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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