

Morning Brief

Daily | Jan. 6, 2022

Today's Outlook:

Government Bonds

FR0093 at Par. The price of benchmark 15-year government bonds (SUN) FR0093 closed higher at par, or at the level of 100.57. Market participants are interested in this new series, offering an attractive yield of 6.38% on Tuesday's trading, or closed at 6.31% yesterday. For the record, the results of Tuesday's SUN auction, the government set the coupon FR0093 at 6.375%. This figure is relatively lower than the yield on SUN of the same tenor, and is also in the midst of the current downward trend in SUN yield.

Corporate Bonds

PTPP: Target New Contracts. PT PP Tbk (PTPP) targets new contracts worth IDR 31 trillion, up 26% from last year. As of early December 2021, PTPP has booked a new contract of IDR 16.5 trillion, equivalent to 67.1% of the 2021 target. Going forward, PTPP will focus on investment projects for toll roads and water supply systems. (Kontan)

Domestic Issue

SBSN Project Financing Reaches IDR 175.38 Trillion. Interest payments on government debt reached IDR 343.5 trillion last year, or lower than the 2021 State Budget (APBN) ceiling of IDR 373.3 trillion. The lower debt interest payments were due to the lower debt financing target and maintained interest rates amidst global pressures. (Kontan)

Recommendation

Yield UST Touch 1.70%. Investors responded to the release of the minutes of the Fed's December meeting, which signaled a more hawkish monetary policy than expected. This triggered higher bond yields, with the 10-year US Treasury breaking the 1.70% level. Market participants will still be faced with the challenge of changing the Federal Reserve's policy and the increasing number of Covid-19 cases.

PRICE OF BENCHMARK SERIES

FR0090 : +0.9 Bps to 100.54 (5.00%)
FR0091 : +2.4 Bps to 100.51 (6.30%)
FR0093 : -7.2 Bps to 100.57 (6.31%)
FR0092 : -1.8 Bps to 102.68 (6.87%)

FR0086 : +1.4 Bps to 101.40 (5.12%)
FR0087 : +2.5 Bps to 100.64 (6.40%)
FR0083 : -1.1 Bps to 104.58 (7.04%)
FR0088 : +0.6 Bps to 100.05 (6.24%)

CDS of Indonesia Bonds

CDS 2yr: +3.29% to 28.38
CDS 5yr: +1.76% to 73.39
CDS 10yr: +2.45% to 134.78

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.43%	0.02%
USDIDR	14,358	0.38%
KRWIDR	12.01	0.17%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,407.11	(392.54)	-1.07%
S&P 500	4,700.58	(92.96)	-1.94%
FTSE 100	7,516.87	11.72	0.16%
DAX	16,271.75	119.14	0.74%
Nikkei	29,332.16	30.37	0.10%
Hang Seng	22,907.25	(382.59)	-1.64%
Shanghai	3,595.18	(37.15)	-1.02%
KOSPI	2,953.97	(35.27)	-1.18%
EIDO	22.87	(0.37)	-1.59%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,810.4	(4.2)	-0.23%
Crude Oil (\$/bbl)	77.85	0.86	1.12%
Coal (\$/ton)	161.65	0.55	0.34%
Nickel LME (\$/MT)	20,710	(426.50)	-2.02%
Tin LME (\$/MT)	39,260	0.00	0.00%
CPO (MYR/Ton)	5,036	122.0	2.48%

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	1.87%	1.75%	Cons. Confidence*	118.50	113.40

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 PMI Mfg	Dec.	53.3	—	53.9
3 - Jan.	ID	11:00	CPI YoY	Dec.	1.87%	1.81%	1.75%
	ID	11:00	CPI MoM	Dec.	0.57%	0.52%	0.37%
	US	21:45	Markit PMI Mfg	Dec.	57.7	57.7	57.8
Tuesday	CH	08:45	Caixin China PMI Mfg	Dec.	50.9	50.0	49.9
4 - Jan.	UK	16:30	Markit UK PMI Mfg	Dec.	57.9	57.6	57.6
	US	22:00	ISM Manufacturing	Dec.	58.7	60.0	61.1
Wednesday	US	19:00	MBA Mortgage Applications	Dec.	-5.6%	—	3.2%
5 - Jan.	US	20:15	ADP Employment Change	Dec.	807k	410k	534k
	US	21:45	Markit US Composite PMI	Dec.	57.0	—	56.9
	US	21:45	Markit US Services PMI	Dec.	57.6	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

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