

Morning Brief

Daily | Jan. 28, 2022

Today's Outlook:

Government Bonds

UST10Y Yield Increase Hits SUN Benchmark. Market participants responded negatively to the Fed's statement that there is considerable room to raise interest rates, with the market expecting it to start in March. Meanwhile, the yield on the 10-year US Treasury surged to 1.866% after Powell's speech, before finally closing at 1.801% yesterday. Benchmark Government Securities (SUN) recorded a yield increase of between 1.1 bps to 4.2 bps based on Bloomberg data.

Corporate Bonds

SMAR: Issue IDR 1 T Bonds. PT Sinar Mas Agro Resources and Technology Tbk (SMAR) will issue bonds in the form of IDR 1 trillion in bonds. The company issued three series including Series A (IDR 100 billion, tenor 370 days and 5% coupon), Series B (IDR 625 billion, tenor 3 years and coupon 7.25%), and Series C (IDR 275 billion, tenor 5 years). and coupon 8.25%). (Bisnis Indonesia)

Domestic Issue

BI and PBOC Renew Bilateral Swap Agreement. Bank Indonesia (BI) and The People's Bank of China (PBOC) renewed the Bilateral Currency Swap Arrangement (BCSA), which is effective from January 21, 2022. The BCSA agreement allows exchanges in each country's local currency of up to CNY 250 billion or IDR 550 trillion (equivalent to around USD 38.8 billion). (Kontan)

Recommendation

US GDP data. Meanwhile, external sentiment came from the release of economic data, the growth of Gross Domestic Product (GDP) of the United States (US) for the 4Q21 period recorded a surge of 6.9%; or the highest growth for nearly 4 decades. Meanwhile, new orders for US-made capital goods were unchanged in December. The Commerce Department announced on Thursday that orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, registered no change last month, after a 0.3% gain in November. Economists polled by Reuters had expected core capital goods orders to increase 0.4%.

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 : +2.9 Bps to 99.50 (5.23%)
FR0091 : +4.2 Bps to 99.50 (6.44%)
FR0093 : +1.4 Bps to 99.50 (6.42%)
FR0092 : +1.1 Bps to 101.51 (6.98%)

FR0086 : +3.1 Bps to 100.82 (5.27%)
FR0087 : +4.0 Bps to 99.56 (6.56%)
FR0083 : +1.7 Bps to 104.46 (7.05%)
FR0088 : +0.7 Bps to 98.76 (6.38%)

CDS of Indonesia Bonds

CDS 2yr: +4.28% to 31.52
CDS 5yr: +3.38% to 89.31
CDS 10yr: +2.97% to 162.68

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.46%	0.05%
USDIDR	14,386	0.23%
KRWIDR	11.96	-0.22%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,160.78	(7.31)	-0.02%
S&P 500	4,326.51	(23.42)	-0.54%
FTSE 100	7,554.31	84.53	1.13%
DAX	15,524.27	64.88	0.42%
Nikkei	26,170.30	(841.03)	-3.11%
Hang Seng	23,807.00	(482.90)	-1.99%
Shanghai	3,394.25	(61.42)	-1.78%
KOSPI	2,614.49	(94.75)	-3.50%
EIDO	23.08	0.21	0.92%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,797.4	(22.2)	-1.22%
Crude Oil (\$/bbl)	86.61	(0.74)	-0.85%
Coal (\$/ton)	188.25	(6.35)	-3.26%
Nickel LME (\$/MT)	22,520	(174.50)	-0.77%
Tin LME (\$/MT)	42,208	838.00	2.03%
CPO (MYR/Ton)	5,444	115.0	2.16%

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.	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
Wednesday	US	19:00	MBA Mortgage Applications	Jan.	-7.1%	—	2.3%
<i>26 - Jan.</i>	US	20:30	Wholesale Inventories MoM	Dec.	2.1%	1.2%	1.4%
	US	22:00	New Home Sales	Dec.	811k	760k	744k
					0.00% /	0.00% /	0.00% /
Thursday	US	02:00	FOMC Rate Decision (Lower/Upper)	Jan.	0.25%	0.25%	0.25%
<i>27 - Jan.</i>	US	20:30	Initial Jobless Claims	Jan.	260k	265k	286k
	US	20:30	Durable Goods Orders	Dec.	-0.9%	-0.6%	2.6%
	US	20:30	GDP Annualized QoQ	4Q21	6.9%	5.5%	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

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PT. NH Korindo Sekuritas Indonesia

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

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

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Seoul | New York | Hong Kong | Singapore | Shanghai | Beijing | Hanoi |
Jakarta