

Morning Brief

Daily | Jan. 7, 2022

Today's Outlook:

Government Bonds

Increase in UST Yield Press SUN Benchmark. FR0090 and FR0091 each posted a yield increase of nearly 9 bps, outpacing other benchmark series of Government Bonds. Investors responded negatively 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 breaching the 1.70% level. Market participants will still be faced with the challenge of changing the Fed's policy as well as the increasing number of Covid-19 cases.

Corporate Bonds

Astra Sedaya Finance Pays Bond Interest. PT Astra Sedaya Finance announced the readiness of the third interest payment fund from the 2021 Shelf-Registered Bonds V Phase II, amounting to IDR 36.34 billion. In more detail, for series A, the bond interest to be paid is IDR 10.81 billion based on 4.85% interest. Next, series B worth IDR 25.52 billion based on 6.35% interest. (Kontan)

Domestic Issue

New Capital City Development Becomes Priority. The Minister of Finance (Menkeu) said that the construction of a new capital city (IKN) is one of the priority parts in the 2022 State Revenue and Expenditure Budget (APBN). Later, IKN development will be the responsibility of the PUPR Ministry. (CNN Indonesia)

Recommendation

Worries Subside. Today, Bank Indonesia is scheduled to release data on foreign exchange reserves for December 2021; where the last position was recorded at the level of USD 145.9 billion. Even though it is still overshadowed by the acceleration of interest rate hikes, the concerns of market players are starting to subside. From the external side, a survey of economists projected that there were 400 thousand new jobs created last December.

PRICE OF BENCHMARK SERIES

FR0090 : +8.6 Bps to 100.14 (5.09%)
FR0091 : +8.7 Bps to 99.86 (6.39%)
FR0093 : +5.9 Bps to 100.00 (6.37%)
FR0092 : +3.3 Bps to 102.31 (6.91%)

FR0086 : +5.0 Bps to 101.20 (5.17%)
FR0087 : +9.2 Bps to 100.02 (6.49%)
FR0083 : +1.4 Bps to 104.44 (7.06%)
FR0088 : +2.3 Bps to 99.83 (6.26%)

CDS of Indonesia Bonds

CDS 2yr: +6.30% to 30.17
CDS 5yr: +7.34% to 78.79
CDS 10yr: +4.62% to 141.02

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.42%	-0.01%
USDIDR	14,393	0.24%
KRWIDR	11.98	-0.20%

Global Indices

Index	Last	Chg.	%
Dow Jones	36,236.47	(170.64)	-0.47%
S&P 500	4,696.05	(4.53)	-0.10%
FTSE 100	7,450.37	(66.50)	-0.88%
DAX	16,052.03	(219.72)	-1.35%
Nikkei	28,487.87	(844.29)	-2.88%
Hang Seng	23,072.86	165.61	0.72%
Shanghai	3,586.08	(9.10)	-0.25%
KOSPI	2,920.53	(33.44)	-1.13%
EIDO	23.05	0.18	0.79%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,791.2	(19.3)	-1.06%
Crude Oil (\$/bbl)	79.46	1.61	2.07%
Coal (\$/ton)	168.00	17.65	11.74%
Nickel LME (\$/MT)	20,462	(175.50)	-0.85%
Tin LME (\$/MT)	39,195	0.00	0.00%
CPO (MYR/Ton)	4,985	(51.0)	-1.01%

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.	53.1	51.7	52.1
	US	20:30	Trade Balance	Nov.	-\$82.0Bn	-\$81.0Bn	-\$67.1Bn
	US	20:30	Initial Jobless Claims	Jan.	207k	195k	198k
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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