

Morning Brief

Daily | Feb. 18, 2022

Today's Outlook:

Government Bonds

Geopolitical Sentiment Hits Rupiah Again. Yesterday, the rupiah in the spot market weakened 0.5% to the level of IDR 14,326/USD. External risks re-emerged as geopolitical tensions between Russia and Ukraine escalated. Previously, market participants responded positively to the release of the minutes of the Fed's meeting which did not give any indication of a more aggressive interest rate hike plan than expected. Investors also responded positively to data that US retail sales rose 3.8% in January, exceeding consensus expectations of 2.1%.

Corporate Bonds

BFIN: Profit Soared 61%. PT BFI Finance Indonesia Tbk (BFIN) posted a net profit of IDR 1.13 trillion throughout 2021, an increase of 61.34% compared to 2020 of IDR 701.59 billion. Revenue decreased 9.78% to IDR 4.12 trillion. Meanwhile, the burden can be reduced by 26.7% to IDR 2.71 trillion. (Emiten News)

Domestic Issue

Issuance of Global Bonds to Encourage External Debt. Bank Indonesia (BI) noted that the foreign debt (ULN) of State-Owned Enterprises (BUMN) in December 2021 rose by 2.20% to USD 58.90 billion from the November 2021 period which amounted to USD 57.61 billion. This increase occurred in line with the issuance of global bonds from several state-owned companies. Such as Pertamina which released global bonds worth USD 1.9 billion for capex and PT Bank Negara Indonesia (Persero) Tbk (BBNI) to strengthen capital worth USD 600 million. (Kontan)

Recommendation

Investors Interested in Defensive Instruments. US President Joe Biden said that the threat of a Russian invasion of Ukraine was still high. Investors responded to this by rotating to the defensive sector and other instruments such as bonds and gold. Yesterday's closing, Government Bonds (SUN) were relatively stable with the benchmark 10-year yield flat around the 6.5% level. Meanwhile, gold prices hit a record 8 months. Gold prices hit an eight-month high on Thursday. Spot gold rose 0.8% to USD 1,883.17 per ounce, after rising as much as 1.3% to USD 1,892.91, its highest since June 11.

Indonesia Macroeconomic Data

Monthly Indicators	Last	Prev.	Quarterly Indicators	Last	Prev.
BI 7 Day Rev Repo Rate	3.50%	3.50%	Real GDP	5.02%	3.51%
FX Reserve (USD bn)	141.30	144.90	Current Acc (USD bn)	4.50	(1.97)
Trd Balance (USD bn)	0.93	1.02	Govt. Spending Yoy	5.25%	0.62%
Exports Yoy	25.31%	35.30%	FDI (USD bn)	4.77	6.52
Imports Yoy	36.77%	47.93%	Business Confidence	104.82	105.33
Inflation Yoy	2.18%	1.87%	Cons. Confidence*	119.60	118.30

PRICE OF BENCHMARK SERIES

FR0090 : +0.6 Bps to 99.17 (5.30%)
FR0091 : -0.3 Bps to 99.09 (6.49%)
FR0093 : +0.4 Bps to 98.98 (6.47%)
FR0092 : -1.4 Bps to 102.46 (6.89%)

FR0086 : -0.4 Bps to 100.84 (5.26%)
FR0087 : -0.8 Bps to 100.13 (6.48%)
FR0083 : -0.8 Bps to 105.25 (6.98%)
FR0088 : -1.0 Bps to 99.31 (6.32%)

CDS of Indonesia Bonds

CDS 2yr: +2.76% to 36.76
CDS 5yr: +2.21% to 97.00
CDS 10yr: +2.07% to 169.90

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.51%	-0.01%
USDIDR	14,318	0.42%
KRWIDR	11.97	0.52%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,312.03	(622.24)	-1.78%
S&P 500	4,380.26	(94.75)	-2.12%
FTSE 100	7,537.37	(66.41)	-0.87%
DAX	15,267.63	(102.67)	-0.67%
Nikkei	27,232.87	(227.53)	-0.83%
Hang Seng	24,792.77	73.87	0.30%
Shanghai	3,468.04	2.20	0.06%
KOSPI	2,744.09	14.41	0.53%
EIDO	23.87	(0.42)	-1.73%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,898.4	28.6	1.53%
Crude Oil (\$/bbl)	91.76	(1.90)	-2.03%
Coal (\$/ton)	232.40	(3.10)	-1.32%
Nickel LME (\$/MT)	24,456	1,050	4.49%
Tin LME (\$/MT)	43,699	291.00	0.67%
CPO (MYR/Ton)	5,507	74.0	1.36%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:09	Consumer Confidence Index	Jan.	119.6	—	118.3
11 - Feb.	UK	14:00	GDP QoQ	4Q21	1.0%	1.1%	1.0%
	UK	14:00	Industrial Production MoM	Dec.	0.3%	0.1%	0.7%
	US	22:00	U. of Mich. Sentiment	Feb.	61.7	67.0	67.2
Monday	—	—	—	—	—	—	—
14 - Feb.	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Jan.	USD930Mn	USD199Mn	USD1,020Mn
15 - Feb.	ID	11:00	Exports YoY	Jan.	25.31%	33.72%	35.30%
	ID	11:00	Imports YoY	Jan.	36.77%	52.88%	47.93%
	US	20:30	PPI Final Demad MoM	Jan.	1.0%	0.5%	0.2%
Wednesday	CH	08:30	PPI YoY	Jan.	9.1%	9.5%	10.3%
16 - Feb.	US	19:00	MBA Mortgage Applications	Feb.	-5.4%	--	-8.1%
	US	20:30	Retail Sales Advance MoM	Jan.	3.8%	2.0%	-2.5%
	US	21:15	Industrial Production MoM	Jan.	1.4%	0.5%	-0.1%
Thursday	US	02:00	FOMC Meeting Minutes	Jan.	—	--	--
17 - Feb.	US	20:30	Building Permits	Jan.	1,899k	1,750k	1,885k
	US	20:30	Housing Starts	Jan.	1,638k	1,695k	1,708k
	US	20:30	Initial Jobless Claims	Feb.	248k	218k	225k
Friday	ID	10:00	BoP Current Account Balance	4Q21		USD1,770Mn	USD4,500Mn
18 - Feb.	US	22:00	Existing Home Sales	Jan.		6.10Mn	6.18Mn
	US	22:00	Existing Home Sales	Jan.		-1.3%	-4.6%
	US	22:00	Leading Index	Jan.		0.2%	0.8%

Source: Bloomberg

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