

Morning Brief

Daily | Feb. 7, 2022

Today's Outlook:

Government Bonds

Investors Still Watching Domestic Economic Data. The Central Statistics Agency (BPS) released the inflation rate for January 2022 at the level of 0.56%; so that annual inflation is in the position of 2.18%. Meanwhile, Markit also recorded Indonesia's Manufacturing PMI at 53.7; or slightly up from 53.5 in the previous month. The daily Covid-19 cases also continued to show an upward trend until they reached 27,197 on February 3, 2022, with the PCR positivity rate reaching more than 30 percent. Over the weekend, the yield on the benchmark 10-year series of Government Bonds (SUN) rose more than 2 bps to 6.44%.

Corporate Bonds

WSBP: Get a Default Debt Rating. PT Pemeringkat Efek Indonesia (Pefindo) downgraded the debt rating of PT Waskita Beton Precast Tbk (WSBP) to default amidst the temporary PKPU (Debt Payment Obligation Suspension) polemic. The company's rating assessment has changed from idBBB- to idD for the period 29 January 2022 - 1 September 2022. (Bisnis Indonesia)

Domestic Issue

Indonesia Receives IDR 1.09 Trillion from Tax Amnesty. The state pocketed IDR 1.09 trillion from the Tax Amnesty Volume II Program as of Sunday (6/2). The income tax deposit (PPH) comes from the disclosure of net assets worth IDR 10.23 trillion. Of this total, the funds invested in Government Securities (SBN) were IDR 617.14 billion. (CNN Indonesia)

Recommendation

Investors Await GDP Data. This week's stock exchange has the potential to be influenced by domestic economic data. BPS is scheduled to release data on Indonesia's GDP; where the consensus predicts economic growth in 2021 at the level of 3.7%. Meanwhile, Bank Indonesia (BI) will announce the position of Foreign Exchange Reserves as of January 2022, which was last at USD 144.9 billion. In addition, the central bank is also scheduled to hold a monthly Board of Governors Meeting (RDG) on 9-10 February 2022; where investors will wait for the latest monetary policy direction.

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 | 2.18% | 1.87% | Cons. Confidence* | 118.30 | 118.50 |

PRICE OF BENCHMARK SERIES

| | |
|--------|------------------------------|
| FR0090 | : +1.5 Bps to 99.51 (5.23%) |
| FR0091 | : +2.2 Bps to 99.45 (6.44%) |
| FR0093 | : +0.7 Bps to 99.48 (6.42%) |
| FR0092 | : +1.0 Bps to 102.25 (6.91%) |
| FR0086 | : +0.9 Bps to 100.91 (5.25%) |
| FR0087 | : +2.9 Bps to 99.98 (6.50%) |
| FR0083 | : +0.5 Bps to 105.13 (6.99%) |
| FR0088 | : +0.0 Bps to 99.06 (6.34%) |

CDS of Indonesia Bonds

| | |
|----------|--------------------|
| CDS 2yr | : +3.93% to 34.50 |
| CDS 5yr | : +2.50% to 91.74 |
| CDS 10yr | : +2.85% to 162.31 |

Government Bond Yields & FX

| | Last | Chg. |
|----------------|--------|-------|
| Tenor: 10 year | 6.46% | 0.02% |
| USDIDR | 14,380 | 0.01% |
| KRWIDR | 12.01 | 0.81% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 35,089.74 | (21.42) | -0.06% |
| S&P 500 | 4,500.53 | 23.09 | 0.52% |
| FTSE 100 | 7,516.40 | (12.44) | -0.17% |
| DAX | 15,099.56 | (268.91) | -1.75% |
| Nikkei | 27,439.99 | 198.68 | 0.73% |
| Hang Seng | 24,573.29 | 771.03 | 3.24% |
| Shanghai | 3,361.44 | 0.00 | 0.00% |
| KOSPI | 2,750.26 | 42.44 | 1.57% |
| EIDO | 23.17 | 0.02 | 0.09% |

Commodities

| Commodity | Last | Chg. | % |
|--------------------|---------|-------|-------|
| Gold (\$/troy oz.) | 1,808.3 | 3.4 | 0.19% |
| Crude Oil (\$/bbl) | 92.31 | 2.04 | 2.26% |
| Coal (\$/ton) | 189.60 | 7.60 | 4.18% |
| Nickel LME (\$/MT) | 22,991 | 125.0 | 0.55% |
| Tin LME (\$/MT) | 43,021 | 119.0 | 0.28% |
| CPO (MYR/Ton) | 5,617 | 104.0 | 1.89% |

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|----------------------------|--------|--------|------------|-------------|
| Friday | GE | 14:00 | Factory Orders MoM | Dec. | 2.8% | 0.3% | 3.6% |
| <i>4 - Feb.</i> | EC | 17:00 | Retail Sales MoM | Dec. | -0.3% | -0.9% | 1.0% |
| | US | 20:30 | Change in Nonfarm Payrolls | Jan. | 467k | 125k | 510k |
| | US | 20:30 | Unemployment Rate | Jan. | 4.0% | 3.9% | 3.9% |
| Monday | CH | 08:45 | Caixin China PMI Services | Jan. | | 50.5 | 53.1 |
| <i>7 - Feb.</i> | ID | 11:00 | GDP YoY | 4Q21 | | 4.81% | 3.51% |
| | ID | 11:00 | GDP QoQ | 4Q21 | | 1.01% | 1.55% |
| | GE | 14:00 | Industrial Production | Dec. | | 0.5% | -0.2% |
| Tuesday | ID | 10:00 | Foreign Reserves | Jan. | | — | USD144.90Bn |
| <i>8 - Feb.</i> | US | 20:30 | Trade Balance | Dec. | | -USD83.0Bn | -USD80.2Bn |
| Wednesday | GE | 14:00 | Trade Balance | Dec. | | — | 12.0 Bn |
| <i>9 - Feb.</i> | GE | 14:00 | Exports MoM | Dec. | | — | 1.7% |
| | US | 19:00 | MBA Mortgage Applications | Feb. | | — | 12.0% |
| | US | 22:00 | Wholesale Inventories MoM | Dec. | | 2.0% | 2.1% |
| Thursday | ID | 14:20 | Bank Indonesia 7DRRR | Feb. | | 3.50% | 3.50% |
| <i>10 - Feb.</i> | US | 20:30 | CPI MoM | Jan. | | 0.5% | 0.5% |
| | US | 20:30 | CPI YoY | Jan. | | 7.3% | 7.0% |
| | US | 20:30 | Initial Jobless Claims | Feb. | | — | 238k |
| Friday | ID | — | Consumer Confidence Index | Jan. | | — | 118.3 |
| <i>11 - Feb.</i> | UK | 14:00 | GDP QoQ | 4Q21 | | — | 1.1% |
| | UK | 14:00 | Industrial Production MoM | Dec. | | — | 1.0% |
| | US | 22:00 | U. of Mich. Sentiment | Feb. | | 67.3 | 67.2 |

Source: Bloomberg

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