

Morning Brief

Daily | Feb. 21, 2022

Today's Outlook:

Government Bonds

Domestic Economic Data Colors Trade Week. The January 2022 Trade Balance data release showed a surplus of USD 930 million; higher than expected but lower than the previous month at USD 1.02 billion. Meanwhile, the Balance of Payments for the fourth quarter of 2021 was reported at USD 1.4 billion; or below the consensus estimate of USD 1.77 billion. From a global perspective, investors are still keeping an eye on the development of geopolitical tensions in Ukraine, which although briefly subsided but flared up again after US President Joe Biden said that the possibility of an invasion was still very high. The release of the minutes of the Federal Reserve's Meeting did not give any indication of a more aggressive-than-expected monetary policy plan.

Corporate Bonds

Sinar Mas Multifinance Ready to Pay Bonds Due. PT Sinar Mas Multifinance has prepared funds to redeem the 2021 Series A Shelf-Registered Bonds II Phase II with a principal value of IDR 348 billion. These bonds will mature on February 21, 2022. For information, Series A bonds have a maturity of 370 calendar days from the issuance date with a fixed interest rate of 9.75% per annum. (Kontan)

Domestic Issue

BI Expects Deflation of 0.1% in February. Bank Indonesia (BI) predicts a decline in prices (deflation) in February 2022. Based on a price monitoring survey in the third week of February 2022, deflation in the reporting month is estimated at 0.10% mom. With these developments, the inflation forecast for February 2022 is 0.46% ytd on a calendar year basis and 1.97% yoy on an annual basis. (Kontan)

Recommendation

Lack of Domestic Sentiment. The lack of new sentiment from within the country makes investors more inclined to pay close attention to global catalysts. The development of the situation in Ukraine will still be the main focus; where investors have the potential to rotate to defensive sectors and safe haven assets, if the risk of an invasion increases. In addition, the release of EU inflation data is projected to be at the level of 5.2%; or higher than the previous month's position at 5.0%.

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) | 1.40 | 4.97 |
| Trd Balance (USD bn) | 0.93 | 1.02 | Govt. Spending Yoy | 5.25% | 0.62% |
| Exports Yoy | 25.31% | 35.30% | FDI (USD bn) | 3.59 | 4.70 |
| 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 : -0.4 Bps to 99.19 (5.30%)
FR0091 : -0.9 Bps to 99.16 (6.48%)
FR0093 : -0.5 Bps to 99.03 (6.47%)
FR0092 : -0.1 Bps to 102.47 (6.89%)

FR0086 : -0.2 Bps to 100.85 (5.26%)
FR0087 : -1.3 Bps to 100.22 (6.46%)
FR0083 : -0.9 Bps to 105.35 (6.97%)
FR0088 : +0.8 Bps to 99.23 (6.33%)

CDS of Indonesia Bonds

CDS 2yr: +1.14% to 37.18
CDS 5yr: +1.05% to 98.02
CDS 10yr: +1.01% to 171.62

Government Bond Yields & FX

| | Last | Chg. |
|----------------|--------|--------|
| Tenor: 10 year | 6.50% | -0.01% |
| USDIDR | 14,328 | 0.07% |
| KRWIDR | 11.98 | 0.14% |

Global Indices

| Index | Last | Chg. | % |
|-----------|-----------|----------|--------|
| Dow Jones | 34,079.18 | (232.85) | -0.68% |
| S&P 500 | 4,348.87 | (31.39) | -0.72% |
| FTSE 100 | 7,513.62 | (23.75) | -0.32% |
| DAX | 15,042.51 | (225.12) | -1.47% |
| Nikkei | 27,122.07 | (110.80) | -0.41% |
| Hang Seng | 24,327.71 | (465.06) | -1.88% |
| Shanghai | 3,490.76 | 22.72 | 0.66% |
| KOSPI | 2,744.52 | 0.43 | 0.02% |
| EIDO | 24.00 | 0.13 | 0.54% |

Commodities

| Commodity | Last | Chg. | % |
|--------------------|---------|--------|--------|
| Gold (\$/troy oz.) | 1,898.4 | 0.0 | 0.00% |
| Crude Oil (\$/bbl) | 91.07 | (0.69) | -0.75% |
| Coal (\$/ton) | 232.35 | (0.05) | -0.02% |
| Nickel LME (\$/MT) | 24,144 | 258.0 | 1.08% |
| Tin LME (\$/MT) | 44,140 | 297.0 | 0.68% |
| CPO (MYR/Ton) | 5,539 | 32.0 | 0.58% |

| Date | Country | Hour Jakarta | Event | Period | Actual | Consensus | Previous |
|------------------|---------|-----------------|-----------------------------------|--------|------------|------------|------------|
| Friday | ID | 10:00 | BoP Current Account Balance | 4Q21 | USD1,400Mn | USD1,770Mn | USD4,970Mn |
| 18 - Feb. | US | 22:00 | Existing Home Sales | Jan. | 6.50Mn | 6.10Mn | 6.18Mn |
| | US | 22:00 | Existing Home Sales MoM | Jan. | 6.7% | -1.3% | -3.8% |
| | US | 22:00 | Leading Index | Jan. | -0.3% | 0.2% | 0.8% |
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| Monday | GE | 14:00 | PPI YoY | Jan. | | 24.4% | 24.2% |
| 21 - Feb. | GE | 14:00 | PPI MoM | Jan. | | 1.50% | 5.0% |
| | EC | 16:00 | Markit Eurozone Manufacturing PMI | Feb. | | 58.6 | 58.7 |
| | UK | 16:30 | Markit UK Manufacturing PMI | Feb. | | 57.0 | 57.3 |
| | UK | 16:30 | Markit UK Manufacturing PMI | Feb. | | 57.0 | 57.3 |
| Tuesday | GE | 16:00 | IFO Business Climate | Feb. | | 96.4 | 95.7 |
| 22 - Feb. | GE | 16:00 | IFO Expectations | Feb. | | 97.7 | 95.2 |
| | US | 21:45 | Markit US Manufacturing PMI | Feb. | | 56.0 | 55.5 |
| | US | 21:45 | Markit US Manufacturing PMI | Feb. | | 56.0 | 55.5 |
| Wednesday | EC | 17:00 | CPI YoY | Jan. | | 5.2% | 5.0% |
| 23 - Feb. | EC | 17:00 | CPI MoM | Jan. | | -- | 0.3% |
| | US | 19:00 | MBA Mortgage Applications | Feb. | | -- | 248k |
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| Thursday | US | 20:30 | Initial Jobless Claims | Feb. | | -- | 248k |
| 24 - Feb. | US | 20:30 | GDP Annualized QoQ | 4Q21 | | 7.0% | 6.9% |
| | US | 22:00 | New Home Sales | Jan. | | 810k | 811k |
| | US | 22:00 | New Home Sales | Jan. | | 810k | 811k |
| Friday | US | 20:30 | Personal Income | Jan. | | -0.3% | 0.3% |
| 25 - Feb. | US | 20:30 | Personal Spending | Jan. | | 1.2% | -0.6% |
| | US | 20:30 | Durable Goods Orders | Jan. | | 0.6% | -0.7% |
| | US | 22:00 | U. of Mich. Sentiment | Feb. | | 61.7 | 61.7 |
| | US | 22:00 | U. of Mich. Sentiment | Feb. | | 61.7 | 61.7 |

Source: Bloomberg

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