

# Morning Brief

Daily | Feb. 15, 2022

## Today's Outlook:

### Government Bonds

**External Sentiment and Rising Oil Prices.** Investors tend to be wary of external pressures, especially tensions between Ukraine and Russia. Market participants are also keeping a close eye on the high number of cases of Covid-19 infection in the country, which adds to pressure on the bond market. On the other hand, positive sentiment stems from optimism for Indonesia's economic recovery. Yesterday, Bank Indonesia (BI) announced the January Real Sales Index which grew 16% to a level of 211. This positive sentiment made the Government Securities (SUN) market closed mixed.

### Corporate Bonds

**Chandra Asri Starts Offering IDR 1.4 Trillion Bonds.** Continuous Public Offering (PUB) of bonds for the III Phase V petrochemical company, PT Chandra Asri Petrochemical Tbk (TPIA) worth IDR 1.4 trillion, starting from February 25, 2022 to March 2, 2022. Following are the three series of bonds offered: Series A worth IDR 860 billion, with a fixed interest rate of 7.20% and a 5-year term; Series B worth IDR 300 billion, with a fixed interest rate of 8.10% and a 7-year term, and Series C worth IDR 240 billion, with a fixed interest rate of 8.80% and a 10-year term. (Liputan6.com)

### Domestic Issue

**Retail Sales Increase in January 2022.** Bank Indonesia (BI) noted that retail sales in January 2022 are expected to continue to increase. This is reflected in the January 2022 Real Sales Index (IPR) of 211.0 or growing 16.0% YoY. This increase was driven by improved retail sales performance for all commodity groups, particularly the Automotive Fuel Group and continued high growth in the clothing subgroup. (Kontan)

### Recommendation

**Wait and see before the FOMC.** NHKSI Research sees market participants as being wait and see in today's SUN auction. In the release of the minutes of the Federal Open Market Committee (FOMC) meeting this week, investors will pay close attention to the Fed's view of high inflation in the United States (US). For the record, US inflation in January reached 7.5% YoY or the highest inflation in 40 years. This high inflation triggers the termination of quantitative easing more quickly. In today's SUN auction, the government offered SPN03220518 (New Issue), SPN12230203 (Reopening), FR0090, FR0091, FR0093, FR0092, and FR0089 series.

## 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)	1.02	3.51	Govt. Spending Yoy	5.25%	0.62%
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*	119.60	118.30

## PRICE OF BENCHMARK SERIES

FR0090 : +1.1 Bps to 99.15 (5.31%)  
FR0091 : -1.0 Bps to 99.08 (6.49%)  
FR0093 : +0.5 Bps to 99.02 (6.47%)  
FR0092 : -0.0 Bps to 101.92 (6.94%)

FR0086 : +0.8 Bps to 100.84 (5.26%)  
FR0087 : -1.7 Bps to 99.84 (6.52%)  
FR0083 : +1.0 Bps to 104.86 (7.02%)  
FR0088 : -2.4 Bps to 99.32 (6.32%)

## CDS of Indonesia Bonds

CDS 2yr: +2.53% to 37.27  
CDS 5yr: +4.05% to 99.67  
CDS 10yr: +2.25% to 172.21

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.51%	-0.01%
USDIDR	14,328	-0.17%
KRWIDR	11.98	0.10%

## Global Indices

Index	Last	Chg.	%
Dow Jones	34,566.17	(171.89)	-0.49%
S&P 500	4,401.67	(16.97)	-0.38%
FTSE 100	7,531.59	(129.43)	-1.69%
DAX	15,113.97	(311.15)	-2.02%
Nikkei	27,079.59	(616.49)	-2.23%
Hang Seng	24,556.57	(350.09)	-1.41%
Shanghai	3,428.88	(34.07)	-0.98%
KOSPI	2,704.48	(43.23)	-1.57%
EIDO	23.75	(0.01)	-0.04%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,871.2	12.4	0.67%
Crude Oil (\$/bbl)	95.46	2.36	2.53%
Coal (\$/ton)	240.00	(5.00)	-2.04%
Nickel LME (\$/MT)	23,696	645.50	2.80%
Tin LME (\$/MT)	43,549	(643.00)	-1.46%
CPO (MYR/Ton)	5,667	94.0	1.69%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	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.		67.0	67.2
<b>Monday</b>	—	—	—	—	—	—	—
14 - Feb.	—	—	—	—	—	—	—
<b>Tuesday</b>	ID	11:00	Trade Balance	Jan.		USD438Mn	USD1,020Mn
15 - Feb.	ID	11:00	Exports YoY	Jan.		39.10%	35.30%
	ID	11:00	Imports YoY	Jan.		55.15%	47.93%
	US	20:30	PPI Final Demad MoM	Jan.		0.5%	0.2%
<b>Wednesday</b>	CH	08:30	CPI YoY	Jan.		9.5%	10.3%
16 - Feb.	US	19:00	MBA Mortgage Applications	Feb.		--	-8.1%
	US	20:30	Retail Sales Advance MoM	Jan.		1.8%	-1.9%
	US	21:15	Industrial Production MoM	Jan.		0.4%	-0.1%
<b>Thursday</b>	US	02:00	FOMC Meeting Minutes	Jan.		--	--
17 - Feb.	US	20:30	Building Permits	Jan.		1,747k	1,873k
	US	20:30	Housing Starts	Jan.		1,700k	1,702k
	US	20:30	Initial Jobless Claims	Feb.		--	223k
<b>Friday</b>	ID	10:00	BoP Current Account Balance	4Q21		--	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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