

Morning Brief

Daily | Feb. 23, 2022

Today's Outlook:

Government Bonds

Government Wins IDR 9 Trillion Sukuk Auction. Based on data from the Directorate General of Financing and Risk Management (DJPPR), the total bids that entered the Sukuk auction this time reached IDR 33.5 trillion. Meanwhile, the government managed to absorb funds worth IDR 9 trillion, winning all the series offered, namely: SPNS09082022, PBS031, PBS032, PBS030, PBS029, and PBS033. On the other hand, yield expectations amidst external geopolitical sentiments made the nominal won lower than the indicative target of IDR 11 trillion.

Corporate Bonds

WWIKA: Bonds and Sukuk Oversubscribed 1.5 Times. PT Wijaya Karya (Persero) Tbk (WIKA) managed to get 1.5 times oversubscribed from PUB II Wijaya Karya Phase II in 2022 and Sustainable Sukuk Mudharabah II Wijaya Karya Phase II in 2022. From these offers, WIKA was able to collect total funds of IDR 2.5 trillion consisting of IDR 1.75 trillion of bonds and IDR 750 billion of sukuk. (Bisnis Indonesia)

Domestic Issue

Initial State Budget 2022 Surplus IDR 28.9 Trillion. The State Revenue and Expenditure Budget (APBN) recorded a surplus of IDR 28.9 trillion, equivalent to 0.16% of Gross Domestic Product (GDP) in January 2022. This performance was driven by state revenue which was recorded at IDR 156.0 trillion, an increase of 54.9% YoY, or greater than the state expenditure of IDR 127.2 trillion, down 13.0% YoY. (Kontan)

Recommendation

US Dollar Safe Haven Demand Rises. This depressed the rupiah exchange rate, or weakened 0.27% to the level of IDR 14,366/USD yesterday. Meanwhile, Bank Indonesia's JISDOR exchange rate weakened 0.23% to IDR 14,362/USD. The depreciation of the rupiah due to tensions between Russia and Ukraine, made market players interested in the safe haven of the US dollar compared to the exchange rates of emerging market countries. Meanwhile, US President Joe Biden announced sanctions against Russia, which will target financial institutions in the country. This follows the move of Russian President Vladimir Putin who recognized the sovereignty of several regions in Eastern Ukraine.

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 : +1.6 Bps to 99.15 (5.31%)
FR0091 : +0.3 Bps to 99.14 (6.49%)
FR0093 : +0.2 Bps to 99.02 (6.47%)
FR0092 : +0.2 Bps to 102.44 (6.89%)

FR0086 : +0.4 Bps to 100.86 (5.26%)
FR0087 : +1.1 Bps to 100.20 (6.46%)
FR0083 : +0.3 Bps to 105.33 (6.97%)
FR0088 : +0.7 Bps to 99.27 (6.32%)

CDS of Indonesia Bonds

CDS 2yr: +2.55% to 37.73
CDS 5yr: +2.70% to 101.12
CDS 10yr: +1.91% to 173.66

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.50%	0.00%
USDIDR	14,366	0.27%
KRWIDR	12.05	0.21%

Global Indices

Index	Last	Chg.	%
Dow Jones	33,596.61	(482.57)	-1.42%
S&P 500	4,304.76	(44.11)	-1.01%
FTSE 100	7,494.21	9.88	0.13%
DAX	14,693.00	(38.12)	-0.26%
Nikkei	26,449.61	(461.26)	-1.71%
Hang Seng	23,520.00	(650.07)	-2.69%
Shanghai	3,457.15	(33.47)	-0.96%
KOSPI	2,706.79	(37.01)	-1.35%
EIDO	23.98	(0.02)	-0.08%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,898.6	(7.7)	-0.40%
Crude Oil (\$/bbl)	91.91	1.70	1.88%
Coal (\$/ton)	236.25	2.40	1.03%
Nickel LME (\$/MT)	24,955	646.50	2.66%
Tin LME (\$/MT)	44,152	12.00	0.03%
CPO (MYR/Ton)	5,840	165.0	2.91%

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%
	US	22:00	Leading Index	Jan.	-0.3%	0.2%	0.8%
Monday	GE	14:00	PPI YoY	Jan.	25.0%	24.4%	24.2%
21 - Feb.	GE	14:00	PPI MoM	Jan.	2.2%	1.5%	5.0%
	EC	16:00	Markit Eurozone Manufacturing PMI	Feb.	58.4	58.7	58.7
	UK	16:30	Markit UK Manufacturing PMI	Feb.	57.3	57.0	57.3
	UK	16:30	Markit UK Manufacturing PMI	Feb.	57.3	57.0	57.3
Tuesday	GE	16:00	IFO Business Climate	Feb.	98.9	96.5	96.0
22 - Feb.	GE	16:00	IFO Expectations	Feb.	99.2	96.2	95.8
	US	21:45	Markit US Manufacturing PMI	Feb.	57.5	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
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
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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