

Morning Brief

Daily | Feb. 17, 2022

Today's Outlook:

Government Bonds

Rupiah Appreciation Supports SUN Benchmark. The rupiah strengthened against the US dollar after easing tensions in Eastern Europe. Reports say a number of Russian troops near Ukraine were asked to return to bases after completing exercises. This gave positive sentiment to global financial markets. Meanwhile, benchmark 20-year Government Securities (SUN) recorded a yield decline of up to 2.2 bps yesterday.

Corporate Bonds

Tower Bersama Repays Part of the Loan. PT Tower Bersama Infrastructure Tbk (TBIG) will issue bonds worth IDR 2.2 trillion, to finance subsidiary debt. Shelf Registration Bond V Phase III 2022 will be offered in two series. Series A has a principal value of IDR 1.7 trillion with a fixed interest rate of 3.75% per annum and a tenor of 370 days. Meanwhile, Series B has a principal amount of IDR 500 billion with a fixed interest rate of 5.90% per annum and a term of three years. (Kontan)

Domestic Issue

Government Sets GDP Growth of 5.3%-5.9%. The Indonesian government expects the economy to grow between 5.3% to 5.9% next year, above the 5.2% growth target for 2022, amid a gradual withdrawal of pandemic-era fiscal support and reimposing strict fiscal rules. The government will use this growth assumption to determine its 2023 spending plan, adding that the budget will be designed with a deficit below 3% of gross domestic product. (Reuters)

Recommendation

The Fed's Minutes. The release of the minutes of the Federal Reserve's meeting did not give any indication of plans for a more aggressive interest rate hike than expected. Meanwhile, US retail sales data rose 3.8% in January, exceeding consensus expectations of 2.1%. Domestically, the appreciation of the rupiah is still a positive sentiment for the domestic bond market. The strengthening of the rupiah was supported by Bank Indonesia (BI) at the beginning of the week reporting that retail sales in December rose 13.8% YoY, higher than the previous month's 10.8% YoY.

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 : -1.3 Bps to 99.20 (5.30%)
FR0091 : -0.0 Bps to 99.07 (6.50%)
FR0093 : -0.6 Bps to 99.02 (6.47%)
FR0092 : -2.2 Bps to 102.31 (6.91%)

FR0086 : -0.4 Bps to 100.83 (5.27%)
FR0087 : -1.5 Bps to 100.08 (6.48%)
FR0083 : -1.9 Bps to 105.17 (6.99%)
FR0088 : +1.0 Bps to 99.21 (6.33%)

CDS of Indonesia Bonds

CDS 2yr: -1.67% to 35.77
CDS 5yr: -2.63% to 94.90
CDS 10yr: -1.30% to 166.44

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.52%	0.01%
USDIDR	14,258	-0.31%
KRWIDR	11.90	-0.12%

Global Indices

Index	Last	Chg.	%
Dow Jones	34,934.27	(54.57)	-0.16%
S&P 500	4,475.01	3.94	0.09%
FTSE 100	7,603.78	(5.14)	-0.07%
DAX	15,370.30	(42.41)	-0.28%
Nikkei	27,460.40	595.21	2.22%
Hang Seng	24,718.90	363.19	1.49%
Shanghai	3,465.83	19.74	0.57%
KOSPI	2,729.68	53.14	1.99%
EIDO	24.29	0.00	0.00%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,868.5	14.9	0.80%
Crude Oil (\$/bbl)	90.24	(1.83)	-1.99%
Coal (\$/ton)	235.50	(3.50)	-1.46%
Nickel LME (\$/MT)	23,966	674.50	2.90%
Tin LME (\$/MT)	43,408	141.00	0.33%
CPO (MYR/Ton)	5,433	(41.0)	-0.75%

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	ID	10:09	Consumer Confidence Index	Jan.	119.6	—	118.3
<i>11 - Feb.</i>	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	—	—	—	—	—	—	—
<i>14 - Feb.</i>	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Jan.	USD930Mn	USD199Mn	USD1,020Mn
<i>15 - Feb.</i>	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%
<i>16 - Feb.</i>	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.		--	--
<i>17 - Feb.</i>	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
Friday	ID	10:00	BoP Current Account Balance	4Q21		--	USD4,500Mn
<i>18 - Feb.</i>	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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