

# Morning Brief

Daily | Mar. 01, 2022

## Today's Outlook:

### Government Bonds

**Market Sentiment Last Week.** The focus of domestic and global investors is on the geopolitical conflict in Ukraine, after Russia launched its invasion of the country on February 24, 2022. Several countries have responded by announcing sanctions against Russia. US President Joe Biden imposed several sanctions primarily targeting Russian financial institutions, while Germany decided to freeze the Nord Stream 2 gas pipeline project, which could potentially hamper gas supplies to Europe. Commodity prices have rallied significantly amid the threat of disruption to the energy supply chain.

### Corporate Bonds

**Pefindo: Embed idA+ Rating for MEDC Bonds.** PT Pemeringkat Efek Indonesia (Pefindo) has affirmed its idA+ rating for PT Medco Energi Internasional Tbk (MEDC) Phase IV 2017 Series B Shelf-Registered Bonds II of IDR 1 billion. These bonds will mature on March 30, 2022. For the record, as of September 30, 2021, MEDC's cash and cash equivalents stood at USD 547.2 million, including restricted time deposits and cash in banks of USD 64.9 million. (Kontan)

### Domestic Issue

**Government Loan Restructuring for Textile Industry.** The Textile and Textile Product (TPT) Industry contributes up to around IDR180.2 Trillion to the National Gross Domestic Product (GDP) and its utilization reaches above 70% by 2021. To encourage the textile industry to keep moving, the Government is committed to providing credit restructuring. This facility can be used to increase production capacity and working capital. (Kontan)

### Recommendation

**Domestic Economic Data.** The attention of market participants will still be focused on the development of the Ukraine conflict, as well as its potential economic impact. Meanwhile, the Central Statistics Agency (BPS) is scheduled to release inflation data for the period of February 2022, where a Bloomberg survey estimates that there will be a deflation of 0.02% on a monthly basis. In addition, Markit will announce the Indonesia Manufacturing PMI index, which was previously recorded at the level of 53.7 for the period January 2022.

## 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 99.03 (5.34%)  
FR0091 : -0.1 Bps to 99.03 (6.50%)  
FR0093 : -0.2 Bps to 99.01 (6.47%)  
FR0092 : -0.0 Bps to 102.45 (6.89%)

FR0086 : +0.4 Bps to 100.80 (5.27%)  
FR0087 : +0.1 Bps to 100.25 (6.46%)  
FR0083 : +0.5 Bps to 105.28 (6.98%)  
FR0088 : -0.7 Bps to 99.28 (6.32%)

## CDS of Indonesia Bonds

CDS 2yr: -0.02% to 39.95  
CDS 5yr: +0.91% to 108.27  
CDS 10yr: +0.04% to 181.24

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.52%	-0.00%
USDIDR	14,367	-0.11%
KRWIDR	11.95	-0.07%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,892.60	(166.15)	-0.49%
S&P 500	4,373.94	(10.71)	-0.24%
FTSE 100	7,458.25	(31.21)	-0.42%
DAX	14,461.02	(106.21)	-0.73%
Nikkei	26,526.82	50.32	0.19%
Hang Seng	22,713.02	(54.16)	-0.24%
Shanghai	3,462.31	10.90	0.32%
KOSPI	2,699.18	22.42	0.84%
EIDO	24.33	(0.21)	-0.86%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,909.0	19.7	1.04%
Crude Oil (\$/bbl)	95.72	4.13	4.51%
Coal (\$/ton)	274.50	35.90	15.05%
Nickel LME (\$/MT)	25,043	682.50	2.80%
Tin LME (\$/MT)	44,470	0.00	0.00%
CPO (MYR/Ton)	6,299	333.0	5.58%

## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	20:30	Personal Income	Jan.	0.0%	-0.3%	0.4%
25 - Feb.	US	20:30	Personal Spending	Jan.	2.1%	1.6%	-0.8%
	US	20:30	Durable Goods Orders	Jan.	1.6%	1.0%	1.2%
	US	22:00	U. of Mich. Sentiment	Feb.	62.8	61.7	61.7
<b>Monday</b>	US	20:30	Wholesale Inventories MoM	Jan.	0.8%	1.3%	2.3%
28 - Feb.	US	21:45	MNI Chicago PMI	Feb.	56.3	62.3	65.2
<b>Tuesday</b>	ID	07:30	Markit Indonesia PMI Mfg	Feb.		--	53.7
1 - Mar.	ID	11:00	CPI MoM	Feb.		0.00%	0.56%
	ID	11:00	CPI YoY	Feb.		2.20%	2.18%
	US	21:45	Markit US Manufacturing PMI	Feb.		57.5	57.5
<b>Wednesday</b>	US	19:00	MBA Mortgage Applications	Feb.		--	-13.1%
2 - Mar.	US	20:15	ADP Employment Change	Feb.		310k	-301k
	US	19:00	MBA Mortgage Applications	Feb.		--	-13.1%
	US	20:15	ADP Employment Change	Feb.		310k	-301k
<b>Thursday</b>	CH	08:45	Caixin China PMI Composite	Feb.		--	50.1
3 - Mar.	US	20:30	Initial Jobless Claims	Feb.		--	232k
	US	22:00	Factory Orders	Jan.		0.5%	-0.4%
	US	22:00	Durable Goods Orders	Jan.		--	--
<b>Friday</b>	US	20:30	Change in Nonfarm Payrolls	Feb.		400k	467k
4 - Mar.	US	20:30	Unemployment Rate	Feb.		3.9%	4.0%

Source: Bloomberg

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