

Morning Brief

Daily | Mar. 14, 2022

Today's Outlook:

Government Bonds

Weekend SUN Market Stronger. The increase in the market for Government Securities (SUN) over the weekend in the midst of the Ukraine-Russia conflict, regarding a ceasefire has not found a common ground. Markets had hoped for a chance to reach a resolution after Ukraine said it would not pursue NATO membership. Global commodity prices continued to be volatile, with WTI oil briefly touching USD 125/barrel before dropping again. From US economic data, the Payroll report for the February 2022 period recorded 678 thousand new jobs, while annual inflation returned to a new record high in the last 40 years at the level of 7.9%.

Corporate Bonds

BSDE: Issue Bonds and Sukuk. PT Bumi Serpong Damai Tbk (BSDE) will issue bonds and sukuk with a total value of a maximum of IDR 1 trillion. The details are the Bumi Serpong Damai Sustainable Bonds III Phase I Year 2022 a maximum of IDR 800 billion and the Bumi Serpong Damai Sustainable Sukuk Ijarah I Phase 1 of 2022 a maximum of IDR 200 billion. (Kontan)

Domestic Issue

The Government will Increase Coal Royalty Rates. The provision for coal royalty rates refers to Government Regulation Number 81 of 2019, the royalty rates for Mining Business Permits (IUP) are divided into 3 levels based on the quality of the product at a rate of 3%, 5%, or 7% (low calorie, medium calorie, and high calorie). Meanwhile, the contract regime, namely the Coal Mining Concession Work Agreement (PKP2B), must pay production PNBP known as the Coal Production Result Fund (DHPB), which consists of coal royalties (according to laws and regulations) and Mining Products Sales (PHT) with a tariff of 13.5%. (Kontan)

Recommendation

Awaiting Domestic Economic Data. The Central Statistics Agency (BPS) will release the Trade Balance data on Tuesday (15/03), where the Bloomberg consensus survey estimates the surplus will continue at USD 2.1 billion; from the previous month's position at USD 930 million. The focus of market attention will also be on the meeting of the Federal Reserve, where the benchmark interest rate is expected to rise to a range of 0.25%-0.5%. Furthermore, Bank Indonesia is also scheduled to announce the results of the Board of Governors' Meeting (RDG), with a survey of economists predicting the BI-7DRRR benchmark interest rate will still be held at the level of 3.5%.

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)	141.40	141.30	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	2.06%	2.18%	Cons. Confidence*	113.10	119.60

PRICE OF BENCHMARK SERIES

FR0090 : -1.6 Bps to 98.16 (5.54%)
FR0091 : -2.6 Bps to 97.62 (6.70%)
FR0093 : -0.2 Bps to 97.03 (6.68%)
FR0092 : -3.3 Bps to 100.17 (7.10%)

FR0086 : +0.8 Bps to 100.14 (5.45%)
FR0087 : -1.6 Bps to 98.49 (6.72%)
FR0083 : -0.4 Bps to 102.56 (7.24%)
FR0088 : +1.0 Bps to 97.37 (6.53%)

CDS of Indonesia Bonds

CDS 2yr: +5.27% to 43.33
CDS 5yr: +3.42% to 111.85
CDS 10yr: +3.98% to 184.02

Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.72%	-0.03%
USDIDR	14,303	0.15%
KRWIDR	11.61	-0.12%

Global Indices

Index	Last	Chg.	%
Dow Jones	32,944.19	(229.88)	-0.69%
S&P 500	4,204.31	(55.21)	-1.30%
FTSE 100	7,155.64	56.55	0.80%
DAX	13,628.11	186.01	1.38%
Nikkei	25,162.78	(527.62)	-2.05%
Hang Seng	20,553.79	(336.47)	-1.61%
Shanghai	3,309.75	13.66	0.41%
KOSPI	2,661.28	(19.04)	-0.71%
EIDO	24.36	(0.08)	-0.33%

Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,988.5	(8.5)	-0.43%
Crude Oil (\$/bbl)	109.33	3.31	3.12%
Coal (\$/ton)	368.65	(4.70)	-1.26%
Nickel LME (\$/MT)	48,033	0.0	0.00%
Tin LME (\$/MT)	44,100	351.0	0.80%
CPO (MYR/Ton)	6,707	(254.0)	-3.65%

Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Friday	UK	14:00	Industrial Production MoM	Jan.	0.7%	0.1%	0.3%
<i>11 - Mar.</i>	UK	14:00	Industrial Production YoY	Jan.	2.3%	1.9%	0.4%
	UK	14:00	Manufacturing Production MoM	Jan.	0.8%	0.2%	0.2%
	US	22:00	U. of Mich. Sentiment	Mar.	59.7	61.0	62.8
Monday	—	—	—	—	—	—	—
<i>14 - Mar.</i>	—	—	—	—	—	—	—
Tuesday	ID	11:00	Trade Balance	Feb.		USD2,100Mn	USD930Mn
<i>15 - Mar.</i>	ID	11:00	Exports YoY	Feb.		36.45%	25.31%
	ID	11:00	Imports YoY	Feb.		42.15%	36.77%
	US	19:30	Empire Manufacturing	Mar.		7.2	3.1
Wednesday	US	18:00	MBA Mortgage Applications	Mar.		--	8.5%
<i>16 - Mar.</i>	US	19:30	Retail Sales Advance MoM	Feb.		0.4%	3.8%
	US	19:30	Import Price Index MoM	Feb.		1.6%	2.0%
Thursday	US	01:00	FOMC Rate Decision (Upper/ Lower)	Mar.		0.50%/0.25%	0.25%/0.00%
<i>17 - Mar.</i>	ID	14:20	Bank Indonesia 7D Reverser Repo Rate	Mar.		3.50%	3.50%
	US	19:30	Initial Jobless Claims	Mar.		--	227k
	US	20:15	Industrial Production MoM	Feb.		0.5%	1.4%
Friday	US	21:00	Existing Home Sales	Feb.		6.20Mn	6.50Mn
<i>18 - Mar.</i>	US	21:00	Existing Home Sales MoM	Feb.		-4.6%	6.7%

Source: Bloomberg

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