

# Morning Brief

Daily | Mar. 07, 2022

## Today's Outlook:

### Government Bonds

**Geopolitical Crisis Sentiment.** The focus of attention last week was still on the war in Ukraine, where western countries again added to sanctions by removing several large Russian banks from the SWIFT network. The continuation of this geopolitical crisis also triggered a spike in oil prices above the USD 100/barrel level for the first time since 2014. From domestic economic data, the Central Statistics Agency (BPS) recorded a deflation of 0.02% throughout February 2022, so that annual inflation is in a position 2.06%.

### Corporate Bonds

**ISAT: Expand 5G Network.** PT Indosat Ooredoo Hutchison Tbk (ISAT) and Ericsson have strengthened a strategic partnership to further expand the 5G footprint in Indonesia. This partnership will support ISAT to expand 5G service coverage to several cities, including Jakarta, Bogor, Tangerang and Bekasi. Apart from Jakarta, ISAT has introduced 5G internet networks in several other cities such as Solo, Surabaya, Makassar, and Balikpapan. (Emiten News)

### Domestic Issue

**Government Issues SBN for Tax Amnesty Participants.** The government will reissue debt securities in a private placement to accommodate taxpayer funds participating in Tax Amnesty volume II in March 2022. Previously, the issuance of special debt securities to accommodate funds from the government's Tax Amnesty II participants was carried out at the end of last February which consisted of two series. First, series FR0094 of IDR 46.35 billion with a set yield of 5.6% and maturity on January 15, 2028. Second, series USDFR0003 worth USD 650 thousand with a tenor of 10 years and a coupon of 3%. (Kontan)

### Recommendation

**External Sentiment Colors Trading This Week.** The bond market movement this week was influenced by various sentiments from abroad. Apart from the sentiment of the Ukrainian geopolitical crisis, market participants will await the release of US inflation data; which by consensus is expected to be at the level of 7.9% YoY. Based on domestic releases, Bank Indonesia is scheduled to announce the position of Indonesia's foreign exchange reserves for the period of February 2022, which was last at the level of USD141.3 billion. In addition, the Consumer Confidence Index (IKK) data also has the opportunity to continue to be in the optimistic area in line with the control of the COVID-19 pandemic, the Omicron variant. The IKK data as of January 2022 was reported at the level of 119.6.

## 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	2.06%	2.18%	Cons. Confidence*	119.60	118.30

## PRICE OF BENCHMARK SERIES

FR0090 : +6.2 Bps to 98.54 (5.45%)  
FR0091 : +11.3 Bps to 97.91 (6.66%)  
FR0093 : +2.6 Bps to 98.51 (6.52%)  
FR0092 : +5.3 Bps to 101.65 (6.97%)

FR0086 : +0.9 Bps to 100.59 (5.33%)  
FR0087 : +8.9 Bps to 99.37 (6.59%)  
FR0083 : +4.2 Bps to 104.63 (7.04%)  
FR0088 : +5.1 Bps to 98.83 (6.37%)

## CDS of Indonesia Bonds

CDS 2yr: +2.41% to 44.58  
CDS 5yr: +2.74% to 115.05  
CDS 10yr: +1.93% to 188.32

## Government Bond Yields & FX

	Last	Chg.
Tenor: 10 year	6.68%	0.12%
USDIDR	14,388	0.03%
KRWIDR	11.85	-0.83%

## Global Indices

Index	Last	Chg.	%
Dow Jones	33,614.80	(179.86)	-0.53%
S&P 500	4,328.87	(34.62)	-0.79%
FTSE 100	6,987.14	(251.71)	-3.48%
DAX	13,094.54	(603.86)	-4.41%
Nikkei	25,985.47	(591.80)	-2.23%
Hang Seng	21,905.29	(562.05)	-2.50%
Shanghai	3,447.65	(33.46)	-0.96%
KOSPI	2,713.43	(33.65)	-1.22%
EIDO	24.07	0.13	0.54%

## Commodities

Commodity	Last	Chg.	%
Gold (\$/troy oz.)	1,970.7	34.8	1.80%
Crude Oil (\$/bbl)	115.68	8.01	7.44%
Coal (\$/ton)	418.75	48.75	13.18%
Nickel LME (\$/MT)	28,919	2022.0	7.52%
Tin LME (\$/MT)	47,540	1128.0	2.43%
CPO (MYR/Ton)	6,276	(532.0)	-7.81%



## Global & Domestic Economic Calendar

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
<b>Friday</b>	US	20:30	Change in Nonfarm Payrolls	Feb.	678k	423k	481k
4 - Mar.	US	20:30	Unemployment Rate	Feb.	3.8%	3.9%	4.0%
<b>Monday</b>	GE	14:00	Factory Orders MoM	Jan.		—	2.8%
7 - Mar.	—	—	—	—	—	—	—
<b>Tuesday</b>	ID	10:00	Foreign Reserves	Feb.		—	USD141.30Bn
8 - Mar.	GE	14:00	Industrial Production MoM	Jan.		—	-0.3%
	EC	17:00	GDP QoQ	4Q21		—	0.3%
	EC	17:00	GDP YoY	4Q21		—	4.6%
<b>Wednesday</b>	ID	--	Consumer Confidence Index	Feb.		—	119.6
9 - Mar.	CH	08:30	PPI YoY	Feb.		8.6%	9.1%
	CH	08:30	CPI YoY	Feb.		0.8%	0.9%
<b>Thursday</b>	US	20:30	CPI MoM	Feb.		0.8%	0.6%
10 - Mar.	US	20:30	CPI YoY	Feb.		7.9%	7.5%
	US	20:30	Initial Jobless Claims	Mar.		—	215k
<b>Friday</b>	UK	14:00	Industrial Production MoM	Jan.		—	0.3%
11 - Mar.	UK	14:00	Industrial Production YoY	Jan.		—	0.4%
	UK	14:00	Manufacturing Production MoM	Jan.		—	0.2%
	US	22:00	U. of Mich. Sentiment	Mar.		63.5	62.8

Source: Bloomberg



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